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# ***JPRS Report***

## **East Asia**

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***Southeast Asia***

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# East Asia

## Southeast Asia

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19 February 1992

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**Minister Comments on Hun Sen Receptivity**  
92SE0104B Bangkok THAI RAT in Thai 23 Nov 91  
pp 1, 14

[Excerpts] [passage omitted] On the second day of their trip to Phnom Penh, the capital of Cambodia, Mr. Asa Sarasin, the minister of foreign affairs, and his party were invited by Prince Norodom Sihanouk to attend a ceremony. [passage omitted]

A reporter noted that during the talks between the Thai foreign affairs minister and Mr. Hun Sen, who is a member of the Cambodian Supreme Assembly, politics was not discussed. During the talks, Mr. Wiraphong Ramangkun, the deputy minister of finance, gave Mr. Hun Sen a letter from Gen Suchinda Khraprayun in his capacity as the chairman of the board of directors of the Thai Military Bank. The letter expressed the bank's desire to open a branch in Koh Kong. Mr. Hun Sen said that he would welcome that. Things will be coordinated in working out the details.

Mr. Wiraphong told reporters that during the two days that he visited Phnom Penh, he saw many investment possibilities, because things here look very bright. Socialism is a thing of the past. And during the talks with Mr. Hun Sen, he suggested that Cambodia promulgate an investment promotion and protection law in order to assure businessmen and Thailand. He also suggested that Cambodia improve its banking system in order to serve as an initial factor for investment. He suggested that they develop their financial system, including the currency exchange system, in order to make it more efficient. If the black markets continue to exist, investors will lose money. The exchange rate must remain fixed and not fluctuate. Also, other basic factors that will facilitate investment should be developed. Thailand would like to have a treaty on investment and the tax system. They agreed with these proposals. The details will be worked out later. [passage omitted]

**Koh Kong, Northwest Border Trade Detailed**  
92SE0104A Bangkok KHAO PHISET in Thai  
2-8 Dec 91 pp 52, 53

[Article by Thawi Tengrang]

[Excerpt] During the 13 years that the war raged in Cambodia, there was nothing to guarantee the safety of the people or property at the various border crossing points along the border. That included such checkpoints as Chong Chom in Surin Province, Ban Khlong Luk in Prachinburi Province, Ban Phak Kat in Chanthaburi Province, and Ban Mun Dan in Trat Province. For this reason, the amount of non-formal trade declined greatly.

But from Khlong Yai, which is the southernmost Thai border district in that area, people could easily reach Koh Kong District in Cambodia. This is because Khlong Yai borders the ocean and people can easily travel to Koh Kong District in Cambodia, because that is only a six hour trip by fishing boat or a two hour trip by speed

boat. Moreover, it was safe from the dangers of war and so the people there were more prosperous than those at other border points. Because of this, Khlong Yai was the only border point to prosper from non-formal trade during that period.

"Ant" armies from both Thailand and Cambodia were active on the black market and became very familiar with each other. The main goods from Thailand that were sold through Khlong Yai were consumer goods such as rice, clothing, dried foods, sandals, laundry detergent, and motorcycles, which have always been popular among Cambodians.

The items transported to Khlong Yai, Thailand, via Koh Kong included items inlaid with mother-of-pearl, gemstones, leeks, garlic, cloves, cardamon, and forest animals. But the item that earned them the most profit was timber. The Cambodian Government gave timber concessions to just a few people. Besides this, the smuggling of foreign cigarettes and liquor, which had been brought in from Singapore, earned huge profits for those who engaged in this black market trade.

Even though Thai officials implemented strict measures and frequently made arrests, because so many people were engaged in this and because so much money was involved, foreign cigarettes and liquor and other contraband items continued to be smuggled into the country at Khlong Yai. From there, the ant armies transported these goods through Trat, Chanthaburi, Rayong, and Chonburi Provinces to Bangkok, which had long been known as a place where the smugglers of foreign cigarettes and liquor from along the Thai-Cambodian border could earn huge sums of money.

As for Thai goods, once they reached Koh Kong, they were usually transported to Kompong Som Province and then smuggled to the black markets in Phnom Penh and other provinces nearby. It is estimated that during that period, the amount of money changing hands as a result of this non-formal trade reached 10 million baht a day. Also, because of the ant armies and tourists coming here, the hotels, restaurants, and places of entertainment in Khlong Yai District thrived.

Later on, when the war in Cambodia died down, Thailand and Cambodia agreed to open "Thai-Cambodian border transit points." These points were opened last June. Thailand has opened a border transit point at Ban Khlong Luk in Khok Sabaeng Subdistrict, Aranyaprathet District, Prachinburi Province. On the Cambodian side, a point has been opened at Poipet in Battambang Province. There is a small bridge from Khlong Luk that is used to carry on trade. Because Poipet is a more convenient route for transporting goods to Cambodia, the border markets in this area have expanded quickly.

Many of the ant armies that once earned their living in Khlong Yai District have now moved to the Khlong Luk-Poipet area, which is a newly opened trading point. In particular, after the four Cambodian factions signed a peace accord in Paris, the Khlong Luk-Poipet free trade

market began receiving even more attention. Every day, large numbers of merchants and tourists come here from all over looking for goods to purchase. At the same time, other transit points along the Thai-Cambodian border area trying to become important trading points.

As for Khlong Yai, now that the trade route has shifted to Khlong Luk-Poipet, trade, which had been flourishing here, is now in a depressed state. Even though goods are still entering and leaving the country through Khlong Yai, the value of trade can't compare with before when trade was flourishing. Now, the main occupation of the people of Khlong Yai is fishing. Each day, large numbers of fishing boats come and dock here. Also, on both sides of the the Trat-Khlong Yai highway, which runs along the Thai-Cambodian border and along the coast of Trat Province, screens used to dry fish can be seen everywhere.

Khlong Yai District has lost its trading position, but because of its location, it still has the potential for being an important trading point along the Thai-Cambodian border. Because of this, the people concerned are trying to point Khlong Yai in a new direction.

Mr. Yomon Anantachai, the governor of Trat Province, is trying to establish a Trat-Koh Kong Committee in order to serve as a data center to facilitate investment here and to coordinate activities and solve the various problems that arise.

The Trat Chamber of Commerce, the president of which is Mr. Omrit Phunsawat, is trying to convince officials to open another border transit point by building a road from Ban Hat Let in Hat Let Subdistrict, Khlong Yai District, to Ban Nong Kok on the Cambodian border. This is a distance of about 10 km. This has been approved by Mr. Rung Phramket, the governor of Koh Kong Province, and Thai military officials.

If this road is built, it is believed that this will facilitate transporting goods from Khlong Yai to Saothong District, Koh Kong Province, from where the goods can be transported to Kompong Som Province and Phnom Penh. Transporting goods will then be more convenient and faster.

Besides this, the governor of Koh Kong Province has authorized Thai businessmen to open a casino in Koh Kong and granted them a 30-year concession. This will increase the commercial importance of Koh Kong and lead to greater activity in related fields such as hotels, resorts, shops, and places of entertainment. It is expected that large numbers of tourists from Thailand will visit there.

Because of this, it is thought that because Khlong Yai has a port from which ships can easily make the trip to Koh Kong, in the future, Khlong Yai will become an important entry-exit point for tourists and gamblers. As a result, the hotel, restaurant, and entertainment business in Khlong Yai District is expected to flourish.

As for the various trading activities planned for this area, if things proceed as expected, business in Khlong Yai District will flourish once again and should even surpass the value of trade in the past. [passage omitted]

**Journalist Notes Kampot Khmer Rouge Influence**  
92SE0158A Bangkok *THE NATION* in English  
15 Jan 92 p A6

[Article by Angus Macswan: "Khmer Rouge Consolidates Presence in Southeast"]

[Excerpts] In the dirt poor hinterland behind what was once Cambodia's glittering riviera, Khmer Rouge guerrillas roam virtually unchallenged.

Raids in Kampot province have increased since a Paris peace accord was signed in October, foreign aid workers said.

"There is no feeling of security. I have not heard anyone say we are at peace," one doctor said.

Local army officers believe the Khmer Rouge have no intention of laying down their guns. They ask when United Nations peace-keepers will arrive to monitor a ceasefire.

Yet the Khmer Rouge are earning some respect among villagers, who say their main problems are thieving government troops and landmines.

Aid workers fear factors that could make the peace plan go awry are coming into play in this southeastern province.

In the port of Kampot, greed for fast money, overrides concern for welfare and development projects, they said.

Businessmen are eager to restore the Gulf of Thailand resort of Kep, a playground for Cambodian high society before wars and revolution reduced it to a ghost town of derelict, battle-scarred holiday villas.

Some surrounding areas are so poor and infertile peasants eke out their diet with grubs.

Under the accord, the Vietnamese backed government and three allied guerrilla armies pledged to stop fighting while a UN peace-keeping force guides Cambodia through to elections. [passage omitted]

The Khmer Rouge occupied Dang Tung district and raided Kompong Trach in November, aid workers said. They hit Chhum Kiri in December, killing a teacher and torching government buildings.

In other attacks they were said to have burned houses of people trading with Vietnamese.

They are blamed for a run of kidnaps though banditry is now rife as armed but dispirited fighters of all sides wonder how they will earn a living after demobilization.

"The nature of the fighting is hard to distinguish—some of it could be old hatreds, land disputes," one foreigner said.

"People in town say the Khmer Rouge here are meaner than those on the Thai border, more ignorant, a harsher commander."

The chief warlord is said to be the one-legged Ta Mok, one of the most vicious of the Khmer Rouge old guard, who is based in the northwest but hails from neighbouring Takeo province.

In the villages some have a different view.

"The Khmer Rouge do not steal. They come down from the mountain and bargain for pigs, rice and chicken," said the owner of a small remote rice mill.

"The invite us to believe in them. The military robs us."

He said the Khmer Rouge were less than a mile away across paddy fields on the other side of the Kampot-Phnom Penh railroad, a line they frequently ambushed in previous years. [passage omitted]

#### **Khmer Rouge Safehouse Said To Be in Bangkok**

92SE0105A Bangkok MATICHON in Thai 29 Nov 91  
p 19

[Text] No one knows for sure where Khieu Samphan is staying. He is the Khmer Rouge leader and member of the Supreme National Council of Cambodia (SNC) who was attacked and injured by a mob and quickly rushed out of Cambodia into Thailand on 27 November. It is thought that he is staying at a safehouse somewhere in Bangkok. This safehouse was set up for politicians from Indochina who had to flee their own country. This was apparently done for "humanitarian" reasons.

It's said that after Vietnam drove the Khmer Rouge out of power in Cambodia in 1978, a large number of Khmer Rouge leaders had to flee the country. That includes Pol Pot, Ieng Sary, and Khieu Samphan. These leaders have maintained a low profile for more than 12 years. It's rumored that during those 12 years, Khieu Samphan stayed at a safehouse in Bangkok. Some people have said that that house is located on Sukhumvit Road. But several news sources have said that Khieu Samphan's house is located on Prachachun Road in the Prachaniwet area, because the Khmer Rouge leader has been seen coming and going there many times.

Some people have said that the person staying at that house is a 60-year-old, fair-skinned man who usually returns home about 2100 hours. The person in the house speaks Vietnamese or Cambodian and listens to French-language radio programs. The important thing is that this is a rental house that is owned by Army General "Aw" [last letter of the Thai alphabet].

But regardless of where Khieu Samphan is staying now, it is thought that once his condition has improved, he will definitely return to this house. Because this is the only house he has.

#### **More Details of Son Sen's Background Published**

92SE0105B Bangkok SIAM RAT in Thai 28 Nov 91 p 2

[Excerpts] [passage omitted] Son Sen, who is now 61 years old, returned to Phnom Penh to attend a meeting of the Supreme National Council. [passage omitted]

He is a professional communist who hides his fierce eyes behind tinted glasses. During the short time that the Khmer Rouge ruled Cambodia based on ultra-leftist Marxism, that is, from 1975 to 1978, Son Sen served as the minister of defense and was responsible for the security of Cambodia. This former instructor at a teacher's institute was responsible for the activities of the police and for what went on at Toul Sleng, which had once been a secondary school in Phnom Penh. Later on, it was turned into a torture chamber.

Some people believe that it is Son Sen who was responsible for the killing of at least 100,000 Cambodians in 1978. That year, he exterminated party members in the eastern part of the country near the Vietnamese border. They had tried to resist orders when the Khmer Rouge's killing mechanism began killing the movement's leaders.

Son Sen took command of the Peking-backed Khmer Rouge forces in place of Pol Pot, the infamous Khmer Rouge leader, in 1978. The official reason given was that he had replaced Pol Pot, because Pol Pot had turned 60 and retired. Diplomats think that Pol Pot is still in control of the Khmer Rouge forces. Pol Pot, the architect of the "killing fields," is thought to be in command of the Khmer Rouge from his hiding place in the mountains inside Thailand.

Son Sen's background is not clear. He is a Cambodian who was born on 12 June 1930 in southern Vietnam. Like Pol Pot, he studied philosophy at the Sorbonne in Paris during the early 1950s. But in 1955, his scholarship was suspended after he and other Cambodian students in France staged a demonstration against the head of Cambodia, Prince Norodom Sihanouk.

He returned to Cambodia and entered government service as a teacher at the Lycee Sisovat. He was later made an instructor at the Priyattitham School. He was then appointed director of the Teacher's College. In 1963, he and several others were suddenly removed from their positions for being leftists.

At that time, a communist movement had already been launched in Cambodia. These people carried on their activities under the name of the Cambodian Democratic Movement. It was Prince Sihanouk who first called this group the Khmer Rouge, the name by which they came to be known.

Son Sen was transferred to Takeo Province. After arriving there, he and a friend fled into the jungle in order to join other groups that had been formed to wage a guerrilla war against state power. The friend with whom he fled into the jungle was Pol Pot.

He was put in charge of the Khmer Rouge forces. He studied combat tactics that he thought suitable. The tactics that interested him were those of Napoleon. He studied the methods used by Soviets to split away from France, the colonial power, and the results of that. This is based on the statements about him made by Elizabeth Becker in her book *When the War Was Over*. He was credited with establishing a strong Cambodian Army. He was the leader of the Khmer Rouge forces that finally succeeded in seizing Phnom Penh after fighting in the jungle for more than 10 years. [passage omitted]

The unit under his command was located at Toul Sleng. More than 20,000 men, women, and children were interrogated and tortured here before being taken out and killed.

A man who once knew Son Sen said that he is a serious person but that he enjoys himself at parties. But he seems to be a very knowledgeable and charming person who likes to joke.

**Real Estate Prices, Displacement of Poor Viewed**  
92SE0104C Bangkok MATICHON in Thai 28 Nov 91  
p 19

[Article by Kasem-mani Nantharatanaphong]

[Excerpts] [passage omitted] Many countries are preparing to acquire land in Cambodia in order to carry on various activities. Some want to acquire land to build embassies. Others want to engage in business activities, such as building hotels and industrial plants. And some simply want to speculate in land, expecting that prices will rise in the future. [passage omitted]

Thailand has purchased approximately 16 rai of land to build an embassy. This is another case in which units of the Cambodian Government under the leadership of Mr. Hun Sen, the prime minister, have received a huge commission. This was revealed by Cambodians who live in the area known as the "Chamkamon" area, which has been claimed by the Thai Embassy. Thailand has already paid a deposit of \$150,000, or 3,882,000 million baht. This has created problems for 64 families, because now, they don't have any place to live. Cambodian Government officials have told them that they must start looking for a new place to live, because the Thai Government has purchased the land on which they are now living. The Thai Government will pay them damages or compensation totaling \$50,000, or approximately \$200-500 per family depending on the size of the plot owned by each family.

"The amount offered by the Thai Government in compensation is too little. That is not enough for us to

purchase another piece of land, because land prices in Cambodia have increased greatly," said a young Cambodian who lives in the Chamkamon area and who is one of those who are being forced out of this area. He added that the Cambodian Government has said that if they are obstinate and refuse to move, they will not be paid any compensation. Even though they have been living in this area for more than 10 years, they don't have any land deeds to use as legal documents.

But the Cambodians aren't aware of the fact that the Thai Government has had to pay \$450,000, or approximately 14 million baht, for this land and nearby land. Thailand has had to pay much more than the \$50,000, which is what the Cambodians there think Thailand has paid for the land.

A Thai Embassy official stationed in Phnom Penh said that before Prince Sihanouk returned to Phnom Penh on 14 November, Cambodians who live in the Chamkamon area came to the temporary Thai Embassy in order to demand that the Thai Government pay them the remaining amount of money, because the Cambodian Government had said that it would pay them the money after Thailand paid for the land in full. To date, the Cambodian Government has paid these Cambodians only \$100 per family. They can't buy new land for themselves, because the money they have received isn't enough to make a down payment.

Concerning this, the Thai official said that he doesn't know if there is any corruption, because that is an internal matter of Cambodia. He said that he doesn't know which government units are involved. All he knows is that the Thai Ministry of Foreign Affairs arranged to purchase this land through Mr. Long Visaro, the Cambodian deputy minister of foreign affairs. Mr. Khem Mongkhon, the deputy director-general of the ASEAN Department, was responsible for procuring land in Cambodia.

Today, the greatest problem in Phnom Penh, the capital of Cambodia, is the matter of driving out Cambodians who have no way to fight back. Most recently, there was the incident at the Prayuruang Temple, which is located in the heart of Phnom Penh. About 100 families from various provinces have moved into this temple and earn their living by casting images of the Buddha. Officials are trying to drive them out, too. The Phnom Penh government has told these Cambodians that they must leave the place where they have been living for more than 10 years, because the number of Thai merchants who have purchased land in Cambodia in the hope of making a profit has increased. The method used by these merchants is to pay a percentage to the Phnom Penh government officials who are responsible for land matters. They then issue loan notes to the owners of the land purchased by the Thai merchants to ensure that the Cambodians can't distort things. The wife of a retired general has already purchased a large amount of land in Cambodia.

Thus, the future of these poor Cambodians who are without ownership rights does not look very different from when Pol Pot was in power. That is, they won't have a place to live or work. The aid that is flowing into the country probably won't reach ordinary Cambodians. Instead, this will be pocketed by influential Cambodians who are in a position to do whatever they want. [passage omitted]

**Prices Set for Tourists to Border Temple**  
92SE0090b Bangkok DAO SIAM in Thai 3-9 Nov 91  
p 11

[Excerpt] 2nd Lieutenant Somchit Chulaphong, Sisaket governor, disclosed the outcome of the conference on tourism with a Cambodian delegation. Both parties had agreed upon formally opening the Preah Vihear Temple as an international tourist attraction, beginning 3 November, from 0800 to 1600. It would be open to both Thai and foreign tourists. Cambodia has asked for an admission fee of 60 baht for a Thai adult, 20 baht for a Thai child, five baht for a Thai student in a group; foreigners 200 baht per adult, and 100 baht per child. Both countries would provide security for tourists inside their own borders, while the security on the Preah Vihear Temple would belong exclusively to Cambodia. [passage omitted]

**Further Report on Preah Vihear Negotiations**  
92SE0090A Bangkok DAO SIAM in Thai 8 Nov 91  
pp 1, 8

[Excerpt] Yesterday (November 7, 91) at 0900, Mr. (Souk Sameng), the governor of Preah Vihear Province, Cambodia, accompanied by Mr. (En Bounthon), deputy governor, Mr. (Kham Wan), the third deputy commander-in-chief of the Army of Cambodia, Mr. (Chou Wanhai), the chairman of the Preah Vihear city council, arrived with their entourage at the Sisaket Province administration center, to meet concerning the opening of a checkpoint at the Preah Vihear Temple to make it an international tourist attraction. The Thai delegation consisted of 2nd Lieutenant Somchit Chulaphong, Sisaket governor, Mr. Siva Sangmani, deputy governor, Major General Prasoet Phakcharoen, commander of the Suranari Task Force, Colonel Suraphon Roeksamran, commander of the 23d Thahan Phran Irregular Regiment senior officials.

The reporter states that when the meeting started the press were asked to leave the room to not inconvenience the conference. Reports are that the Cambodian delegation did not object to the Thai proposal of opening the Preah Vihear Temple, provided that details were added concerning opening trade. However, Cambodia could not guarantee safety along the border. Cambodia also proposed to collect two-thirds of the admission fee to visit Preah Vihear, while Thailand would collect one-third. The Thai side could not agree to this because they had been prepared to talk only about the opening of Preah Vihear.

At 1200, the group led by the two governors went out to a restaurant. A committee of ten, five from each country, chaired by the two deputy governors, discussed details for presentation to their respective governors in the afternoon. The committee did not leave the room for lunch, but had it brought in instead.

One Cambodian official said that most of the members of his delegation resided in Choam Krasan District, Preah Vihear Province, 60 kilometers from the Preah Vihear Temple. The journey here, however, took more than 24 hours because parts of the road have been cut by floods. Travel by car is extremely difficult. As for opening the Preah Vihear Temple, it is believed that if there were only one checkpoint, Thailand alone would benefit. Only if there were checkpoints in various places along the Sisaket-Cambodia border, would Cambodia benefit more.

The same official said that another reason why Cambodia could not guarantee safety along the border is that internal conditions there are not yet peaceful. Furthermore, Cambodia expressed concern over its own abundant natural resources like minerals, wildlife, and forests. They fear that after contacts are begun Thais would plunder these natural resources as they had done before the Cambodian revolution. Cambodia is presently incapable of protecting itself in this matter.

2d Lieutenant Somchit Chulaphong, Sisaket governor, said that he could not give a statement until after the conclusion of the conference when a joint statement with Mr. Souk Sameng would then be released. Incidentally, a trial opening of Preah Vihear between 2-4 November brought about 30,000 Thai and foreign tourists. As a result, both Thailand and Cambodia made several hundred thousand baht. This is considered a huge success after 20 years of keeping Preah Vihear closed.

**POLITICAL****GOLKAR Election Goals**

92SE0136A Jakarta *SUARA KARYA in Indonesian*  
31 Dec 91 pp 1, 17

[Interview with GOLKAR (Functional Group) Central Executive Council Chairman Wahono by SUARA KARYA in Jakarta: "Humanitarian Goals Essence of GOLKAR Struggle"; date not given]

[Text] Jakarta (SUARA KARYA)—In 1991, GOLKAR [Functional Group] recorded an important event in the life of the organization, for it was successful in formulating the GBHN [Broad Outline of State Policy] concept it will fight for in the 1993 MPR [People's Consultative Council] General Assembly. It will continue to refine the concept until the moment it presents it to the next MPR General Assembly.

For the next general election, GOLKAR has drawn up a list of the legislative candidates who are to be thrust into the election. They were selected from a large number of potential cadres. The problem in choosing candidates was not who is the "best," but who is the most "suitable."

In the future political format that GOLKAR will be fighting for, GOLKAR will give serious attention to humanitarian issues. Pancasila [the five principles of the Indonesian state] democracy and the 1945 Constitution fully guarantee basic rights. These are not limited to political rights alone, but also include economic, social, and religious rights and faith in One True God. They even include the right to defend the country. However, these rights have not been spelled out in detail or actualized in a way that is consistent with the present demands and aspirations of society. "That is our job and the job of the next generation," GOLKAR DPP [Central Executive Council] Chairman Wahono told SUARA KARYA in Jakarta in statements marking the end of 1991 and greeting the year 1992.

Following is the complete SUARA KARYA interview with GOLKAR DPP General Chairman Wahono:

[SUARA KARYA] Did GOLKAR take important steps in 1991?

[Wahono] It was a decisive year for GOLKAR. GOLKAR was able to strengthen further the organizational consolidation that has been going on since 1964, when GOLKAR initiated the Tri-Success I program. In 1991, GOLKAR laid the foundation for policies to accelerate efforts to improve democracy in our political life.

A climate of openness and businesslike conduct is growing well. In this climate, note should be made of GOLKAR's activities in holding symposia, seminars, and discussions to examine issues in all sectors of national development.

This year, GOLKAR has also formulated the GBHN concept it will fight for in the 1993 MPR General Assembly. In an organizational way, the 1991 GOLKAR Leaders Conference decided very strategic matters in this context. We feel the GBHN concept is very important because GOLKAR wants to incorporate the aspirations of its members and those of society in general for the development of the nation. GOLKAR will continue to refine the draft GBHN until it is ready for submission to the MPR General Assembly.

[SUARA KARYA] What is the process for drawing up your list of legislative candidates for the next general election?

[Wahono] As we process candidates, from recruitment to ensuring they are qualified, the biggest impression I get is the great potential that exists among GOLKAR cadres. On the one hand, naturally I am happy that the potential is so great, but on the other hand, that makes it difficult to choose "the best" from so many. We have been able to resolve the matter, however, through much hard but effective work in examining the qualifications of every candidate. The approach we have taken is not who is the "best," but who is the most "suitable." Naturally, this system needs continuous refinement in the future. The most important thing is to conduct earlier monitoring of the quality of cadres while noting and anticipating trends so that the cadres will always present themselves relevantly.

**Measuring Quality**

[SUARA KARYA] What is your opinion about improving the quality of elections?

[Wahono] Briefly, I can say that quality in general elections means the following:

First, elections must uphold the unitary state based on Pancasila and the 1945 Constitution.

Second, general elections must be conducted in a climate of responsibility, and they must be used as facilities for the development of democracy rather than merely for politics.

Third, such an election will create a DPR [Parliament] and an MPR of high quality and able to channel the aspirations of the people for spurring further development.

The implementation of general elections will be of higher quality when everyone involved truly puts national interests ahead of organizational interests. Development will be placed above politics. From the aspect of election mechanisms, the elections will be quality ones when everyone complies in letter and spirit with everything regulated by law or consensus.

**Election Target**

[SUARA KARYA] Can you state your target for the next general election?

[Wahono] Our target for the next general election is to maintain our current status in terms of percentage. Naturally, this means an increase in the absolute number of votes. If we glance at the situation and look at reports forwarded by provincial GOLKAR leaders, we note that 80 percent of that has been achieved. We will try to finalize the rest during the campaign period. As we go into the campaign, we are ready to defend our 73.17 percent share. Of course, there are certain to be developments we do not envision now. We have prepared everything and are also ready to deal with any "force majeure" that may arise. The likelihood of such a thing is very small, for I feel that the training and motivation we have provided are quite strong.

[SUARA KARYA] What is the pattern of political life that you expect after the general election?

[Wahono] Our goal is to achieve a pattern of political and national life that will truly enable implementation of a Pancasila democracy derived from the 1945 Constitution. That naturally will need to be adapted to developments, especially to things that develop from greater political awareness in society. We realize that developments produced by dynamics in society demand solutions beyond the kind we usually find. Therefore, we always need to be responsibly creative.

This expectation does not depend on the number of votes we get in the election, but, naturally, more votes will make it easier for GOLKAR to fight for its goals. GOLKAR also has as mission as pioneer in improving democratic life in Indonesia in the context of enhancing the welfare of the people.

The results of the next election will be significant for the development of a Pancasila democracy political system. The election will have great influence on, among other things, the 1993 GBHN, which will embrace Long-Term Development (BANGKAJANG) Phase II. We hope that in BANGKAJANG II our political system will become strong and dependable and lead us in the takeoff period.

Simply put, such a strong Pancasila democracy political system will reflect, among other things, three interrelated and mutually supportive dimensions:

- (1) A feeling of strong and growing national unity and integrity;
- (2) A high and ever-improving quality of democracy;
- (3) Our society's success in building itself into a modern and developed nation based on Pancasila and the 1945 Constitution.

#### Basic Human Rights

[SUARA KARYA] To what extent is GOLKAR giving attention to humanitarian issues in its programs?

[Wahono] Humanitarian issues are essential for our nation. They were a primary motivation in our independence struggle, as summarized in the first paragraph of

the preamble to the 1945 Constitution. Humanitarianism is one of the five principles of Pancasila, which is the philosophy of our national life, our ideology, and national viewpoint and the basis of our state. Thus, basic human rights are inherent in our national individuality. Before independence, they were part of the original democratic values of our nation and were later transformed into the values incorporated in Pancasila and the 1945 Constitution. For that reason, humanitarian issues are a profound concern for me. The 1945 Constitution clearly protects the rights of man and society in our national life. Therefore, I think it is important for us to implement the soul and spirit of the 1945 Constitution in developing the "complete man." All of this is relevant to and parallel with the international struggle for basic human rights, but we do not hastily apply them to just one aspect. Therefore, we need not compare our implementation in an antagonistic way. In our struggle for the basic rights of our citizens, we always adhere to the 1945 Constitution and the values our nation follows.

It is true that our perception of basic rights may not be exactly the same as the perception of some other countries. Basically, however, we have the same essence, just as the essence of Pancasila democracy is the same as that of democracies in other countries, namely the sovereignty of the people. Under Pancasila and the 1945 Constitution, basic rights are not limited to political rights alone but include rights related to the economy, sociocultural matters, religion, and faith in the One True God, and even defense and security in the sense of the right to defend one's country.

These basic rights admittedly are not specified or spelled out in detail in Pancasila or the 1945 Constitution. That is our duty and the duty of the generations to come. One matter we need to emphasize as we specify and spell out these things is that our nation has its own perspective, as summarized in Pancasila and the 1945 Constitution. That is the reason our nation does not want to be dictated to by anyone, even in this matter of basic human rights.

Nevertheless, our nation needs to develop thinking that is relevant to these basic human rights, namely thinking that is relevant to Pancasila and the 1945 Constitution while at the same time relevant to the development of society and the changes of the age.

There is one thing we should avoid as we develop our thinking on basic rights: We should avoid falling into individualism. We are developing thinking that is "monodualistic" about basic human rights. This means that besides being an individual, a person is also a social creature.

We should benefit from the expanding struggle for basic human rights by fighting on the international scene for our national basis of thinking and perception on the matter. In that way, the world will know not only that we have long fought for basic human rights, including oppression, which is inconsistent with humanitarianism

and justice, but also that we understand why the just and civilized humanitarian values we follow are closely connected to faith in the One True God, Indonesian unity, consultation and consensus, and social justice.

### PPP Chairman States Party Goals

92SE0137A Jakarta SUARA KARYA in Indonesian  
30 Dec 91 pp 1, 11

[Interview with Ismail Hasan Metareum, chairman of the Central Executive Council of the Development Unity Party by SUARA KARYA on 29 Dec 1991; place not given: "PPP [Development Unity Party] Wants Emancipative Political Life"]

[Text] Jakarta (SUARA KARYA)—The pattern of political and national life we desire as we enter the Second Long-Term Development Plan (PJPT II) is one that is emancipative and participative. It should be emancipative in the sense that all citizens should be equal before the law and in the life of society and should have the same rights and obligations. It should be participative in the sense that every citizen can have a part in managing national interests and in providing strength and ideas.

The general chairman of the PPP [Development Unity Party] DPP [Central Executive Council], H. Ismail Hasan Metareum, made this point yesterday in a special interview with SUARA KARYA in Jakarta. According to Ismail Hasan Metareum, 1992 will be important for political strategy, because the year will bring a general election to decide the MPR [People's Consultative Council]. The task of the MPR will be to draft the GBHN [Broad Outline of State Policy] and formulate a strategy for PJPT II.

The following is taken from a SUARA KARYA interview with Buya [title for an Islamic scholar] Ismail:

[SUARA KARYA] Can you mention the important steps taken by the PPP in 1991?

[Ismail] During 1991, most of our attention was given to ideas and decisions on the general election, including the processing of nominations to legislative bodies. The PPP also held its National Working Conference from 6 to 9 January 1991 to lay a foundation for dealing with the election and to discuss other issues that we have been thinking about since the congress. In that forum, we made decisions on our cadre training pattern and system, which basically views cadres as cadres of the nation. As cadres, they must thoroughly understand the concepts of Archipelago Viewpoint and National Resilience and how to maintain the existence of the Republic of Indonesia and to practice Pancasila [the five principles of the Indonesian state].

Then, in Central Java we brought together women members of the party from all over Indonesia into a group we named Unity Women to think about how to develop and guide the potential of women. In addition, we held a

meeting in Surabaya, East Java, for young party members from all of Indonesia. We also held a national-level conference, which we called an LP4 [expansion unknown] national working meeting, for party organizations preparing for the general election.

Comparing 1990 and 1991, our performance was better in 1991. The year 1990 was used for regional conferences and branch conferences. The regional conferences determined regional programs and chose new regional directors, while the branch conferences decided on branch programs and directors. Although the conferences went smoothly, implementation has been erratic.

[SUARA KARYA] What are the obstacles to be faced in 1991?

[Ismail] I think particularly of the issue of "approval of superiors" for DPR [Parliament] candidates who are civil service employees. The problem is that chiefs of government offices in several regions have the understanding that civil service employees must be members of GOLKAR [Functional Group]. This was evidenced in letters to employees, copies of which were sent to me, in response to their requests for permission to be candidates. Permission was denied because the employees are members of KORPRI [Indonesian Civil Service Corps]. Since they are party cadres, even their loyalty as civil service employees is in question.

That is the heart of the problem and the reason I bring up the issue of "monoloyalty." Colleagues in the civil service who want to be candidates are blocked by the erroneous views of regional government chiefs. For that reason, I have recommended the rescission of PERMEN [Ministerial Regulation] No. 12/1969, which has become the guide for "monoloyalty." Actually, it does not matter whether or not it is rescinded, as long as there is a common understanding. Fortunately, Minister of Home Affairs Rudini has a positive outlook on the matter and emphasizes that KORPRI "monoloyalty" is only to a legitimate Pancasila state and government. That statement formally creates a common understanding. Whether it will be put into practice is the second question.

[SUARA KARYA] Are there any obstacles in processing legislative candidates from the aspect of recruitment or qualifications, including special investigations?

[Ismail] We adjust activities to phases and schedules set by the LPU [General Election Board]. There has been no unusual problem, other than the problem with permission for civil service employees.

In the processing of legislative candidates, the PPP takes as a principle the recommendation made by the minister of home affairs that DPR candidates know, and be known in, their regions. In principle, therefore, candidates must be nominated by the regions. That is a good principle.

As for special investigations, I do not see them as an obstacle to our work, but there are technical matters in the investigations that need to be thought about for the future. For example, people need to avoid being short on identification photographs, which could result in their not receiving SKTT's [expansion unknown]. These technical problems should not be allowed to interfere.

[SUARA KARYA] What is your perception of what is meant by improving the quality of general elections?

[Ismail] I am reminded of a discussion in the last MPR General Assembly. The term "improving the quality of general elections" actually came from the PPP. With the objective of holding general elections more responsibly, the PPP recommended that the principle of honesty and fairness ("jurdil") be applied to the conducting of elections. If "luber" [direct, public, free, and by secret ballot] applies to voters, "jurdil" applies to those who conduct elections. A misunderstanding of this has arisen on the part of some governors, however. They think that by proposing "jurdil" we do not trust government employees. That is not true. We make rules to prevent things, whether they are intentional or not. Things can be prevented by principles. Because of that misunderstanding, we are looking for a resolution in the form of a formula for improving the quality of general elections.

The PPP wants to see that no one involved in the implementation of general elections does anything improper. The government as implementer of the elections must stand above all groups and not do anything that reduces the significance of the elections.

The 1977 election is an example. In South Sulawesi, although there are 23 regencies and the regency capitals are about 400 to 500 kilometers from the provincial capital, vote counting was completed at 1700 hours and reported to the provincial capital. At 1900 hours, the results were reported to the mass media although polls did not close until 1400 hours. That was hard to believe. By contrast, vote counting in Jakarta was still not finished at 2200 hours, although Jakarta used computers and vote counting in South Sulawesi was done only by hand. That was astonishing, but we do not want such astonishing things in this country.

[SUARA KARYA] What is the PPP doing to make the election produce results of higher quality?

[Ismail] Careful selection of legislative candidates. Also, this January we are setting up a program to train PPP campaign workers. They will be equipped to publicize the PPP's programs and ideas for the GBHN.

[SUARA KARYA] Can you describe the PPP's concepts for the GBHN?

[Ismail] In 1990, the PPP DPP formed a GBHN team under the leadership of Mrs. Aisyah Amini, S.H. [Master of Laws]. It has submitted the results of its work to the DPP, and those results are being enhanced by several experts in the PPP. In the middle of January, those

concepts will be discussed and further enhanced by about 30 experts from several areas of Indonesia whom the DPP will invite to a workshop in Jakarta.

[SUARA KARYA] What is the PPP's seat target for the election?

[Ismail] The PPP does not use the term "target." What we do is make rough mathematical estimates and observe existing conditions. We estimate possibly 90 seats. By improving things that were weak in the past, holding informal meetings with community leaders in the provinces, and visiting those who were party supporters in the past, we hope we can win 90 seats. We do not have a target because we have no tools for achieving a target. All we can do is state possibilities based on our evaluations of the party's situation.

[SUARA KARYA] What are possible obstacles to the PPP's winning of seats?

[Ismail] There has not been much change in some provinces. In Aceh, for example, the party's situation is quite good; but then there is the security situation. I worry that the situation will be misused by one or two individuals to frighten the people in their choice of political parties. That could be a problem. Village people are not as bold as city people when someone frightens them. That could mean anyone, including other members of the community, who tries to produce fear by digging up certain subjects.

For that reason, Minister Rudini's instructions on quality elections must reach to the lowest levels of government. I fear that what the minister of home affairs wants may not reach the villages. Therefore, his views should not be published in the newspapers alone but should be disseminated through written instructions right down to the villages.

[SUARA KARYA] What is the pattern of political and national life that the PPP desires as the overall result of the next general election?

[Ismail] We have already laid the foundation for good political life in the 1945 Constitution as well as in regulations that are consistent with Article 28 of the Constitution and with other articles related to the political sector. There have been weaknesses and shortcomings, however. The problem is implementing all of those things well.

The political life we desire is one that is emancipative and participative. It should be emancipative in the sense that all citizens have the same rights and obligations. It should be participative in the sense that every citizen can have a part in managing national interests and in providing strength and ideas. We greatly desire the participation of the people in building the state.

The matter of openness, as often mentioned by the president, needs to be expanded. As we move toward a modern society, openness is a very important matter.

The PPP will always fight for politics that are emancipative, participative, and open. We carry on this fight in a democratic way.

We hope that the existing political infrastructure and superstructure will function in a way that is proper, orderly, and effective. The infrastructure must be self-sufficient and must have a big share in the superstructure.

In PJPT II, the nation must give attention to a political culture based on Pancasila and the 1945 Constitution. Such a political culture must be the focus of our attention as we build a political life marked by Indonesian ethics.

[SUARA KARYA] To what extent is the issue of humanitarianism a concern in the PPP's struggle?

[Ismail] Protecting the weak is a principle of the PPP's struggle. The weak are a group that must be protected. The poor are included in this. Protection of the weak is a humanitarian concept. Humanitarian concern is part of the PPP's struggle and is included in the party's program to create a society that receives God's blessing.

#### Parliament Member Comments on PDI Accomplishments

92SE0138A Jakarta SUARA KARYA in Indonesian  
28 Dec 91 pp 1, 9

[Text] 1991 was a year of progress for the Indonesian Democracy Party (PDI)—progress in the life of the nation and of the state. However, here and there the party, whose symbol is the head of a buffalo, still stumbled on small obstacles which stood in the way of progress.

Progress can be seen in both the internal and the external aspects of the organization. The internal aspects are the hard work put in by the party's cadres and sympathizers at all levels, the firm guidance provided by the party's leaders and the party's explicit platform.

External aspects include the wind of openness which has been blowing through the country. This openness, spearheaded by Minister of Home Affairs Rudini in his position as Developer of Domestic Politics, has especially been felt in bureaucratic circles. The thawing of the closed society and the low profile of the Armed Forces faction in the DPR [Parliament] and MPR [People's Representative Council] has stimulated the enthusiasm of the people's representative organizations.

Except for one or two cases, for example, no significant obstacles have been put in the way of candidates for seats in parliament. "Unlike the way it was for candidates in previous general elections," said Drs Soerjadi, General Chairman of PDI's DPP [Central Executive Committee], in an exclusive interview with SUARA KARYA at the beginning of this week in Jakarta.

He said that of the thousands of candidates proposed by the PDI for seats in the DPR and the MPR for the 1993 to 1998 term of office only five were rejected. This percentage is very insignificant compared to the previous general election.

#### Direct, Public, Free and Secret As Well As Honest and Fair

While still talking about parliamentary candidates, Soerjadi, who is also deputy chairman of the DPR/MPR Coordinator for the Economy and Finance, said that there is no consulting organization with a parallel set-up in this general election. "In previous general elections there had to be consultation. This showed a serious lack of trust in the political parties during those times," added Soerjadi.

Soerjadi said that the quality of a general election depends on whether that election is carried out honestly and fairly and also whether it is direct, public, free and secret.

Soerjadi said that a direct and public general election already exists but that a free and secret one does not. Freedom still does not exist for the voters who live on plantations in North Sumatra. The problem is that voters are directed to vote for a General Election Participants Organization (OPP).

"Think about the fact that 30 percent of the voters in North Sumatra live on plantations. The OPP will get 30 percent of the vote because the freedom of the voters to vote according to their own wishes is curtailed. Is this freedom?" asked Soerjadi. In other provinces, freedom is curtailed in other ways.

Secret? Can the general election guarantee the right of citizens to secrecy if they are directed to vote for a particular OPP? And what about the principles of honesty and fairness?

"If we really want the general election to be honest, fair, direct, public, free and secret, all government agencies must be consistent in the way they carry out the election. Minister Rudini has said that KORPRI [Republic of Indonesia Civil Service Corps] do not have a single loyalty to any one OPP because they are public servants." The question is to how to bring that policy down to the lowest level of government, such as the RT [Neighborhood Association] and the RW [Area Association]," asked Soerjadi.

#### Target

The PDI has taken into account obstacles in the path of democracy in its ambition to expand the party of the "little people". "We are postulating that we will get between 80 and 90 seats, even taking into consideration the obstacles I have mentioned. We are convinced that if there were no obstacles, we would get even more seats in the upcoming general election," said Soerjadi.

The party already has secret tactics and strategies for getting so many seats, more than 100 percent more than what it got in the 1987 general election. However, these tactics and strategies will not work if the government bureaucracy still plays a role in running an election which is not honest, fair, free and secret.

He therefore recommends very strongly that the upcoming general election really be a higher-quality general election, as mandated in the 1988 GBHN [Broad Outlines of the Nation's Direction]. And the government bureaucracy has a very important role in this.

From another viewpoint, the voters are being asked to exhibit moral bravery. Feelings of "fear and awkwardness" towards superiors and those put in charge must be eliminated. These problems involve one's conscience and basic human rights. Genuine democracy is the right to vote without pressure or coercion.

The freedom to vote one's conscience, said Soerjadi, is guaranteed by the 1945 constitution; and if this freedom is transgressed, it is a transgression of the constitution itself.

Touching on human issues, Soerjadi said that since it came into existence more than 17 years ago, the PDI has been very concerned about defending the interests of the "little people." The PDI's motivation and spirit have been to struggle for the "little people." The PDI is aware of how hard it is to struggle for them so that often it cannot carry the struggle to an effective conclusion.

"However, as a first step, we are consistent in the struggle for their interests," said Soerjadi. Only the results cannot be guaranteed. To be honest, success in that struggle depends on many factors and on the involvement of many other people. "If the PDI does not look after the interests of the little people, this shows that the PDI has gone beyond the bounds of its struggle," said Soerjadi.

That is why the PDI is forming a Land Team to help people who are having land problems. PDI has seen land cases become a national issue recently. Complaints about land issues from different provinces come before the DPR almost every day.

The PDI will also pay serious attention to labor problems because Soerjadi thinks that labor problems will push aside land cases in the future. Attention must be paid by all sides to these land and labor matters, which involve so many people; that's why it will take sincerity and wisdom to solve these problems.

### Prominent Political Figures in 1991

92SE0139A Jakarta KOMPAS in Indonesian 30 Dec 91  
pp 5, 10

[Text] Try Sutrisno (56)

As leader of ABRI [Indonesian Armed Forces], he was certainly one of the busiest people at the end of 1991

after the incident at Santa Cruz Cemetery in Dili, only three days before his birthday. Because he is always relaxed and calm, many people were surprised that he appeared so emotional as he explained the 12 November Incident at a working meeting with DPR [Parliament] Commission I on 27 November. He emphasized, however, that the Dili incident would be resolved wisely.

Wherever he speaks and whatever the subject, he always refers to the necessity to maintain national unity and integrity. Nevertheless, he always emphasizes the need of openness, which he says is a requirement for life in a democracy.

He has repeatedly declared that ABRI does not oppose changes, as long as they are constructive. In fact, ABRI must encourage change in line with the demands of society. He also calls on the ICMI (Indonesian Association of Muslim Intellectuals) to do something tangible soon, not just for the Islamic community but for the entire Indonesian nation, whose motto is "Unity in Diversity."

He feels it is unethical for an ABRI retiree to join a political party. "It is true that there is no regulation that an ABRI retiree must channel his aspirations through a certain political force, but a 'Sapta Marga' [Armed Forces oath] soldier must know his place. As a stabilizing force and provider of dynamics, ABRI must have solidarity and not be fragmented." He looks on people who do not use their right to vote in elections not as "white group" [election boycotters], but as individuals outside the system. He repeatedly warned, however, that the implementation of the general election must be truly LUBER [direct, public, free, and by secret ballot] and JURDIL [honest and fair].

### Kharis Suhud (66)

Possibly because he feels he is the "commander," he says he must be blamed if there are DPR members who are not renominated in 1992 because of being considered vocal. "I am the one who wants openness in this legislative institution, and openness cannot be separated from being vocal," he declared.

Also possibly because of feeling he is the "commander," he has spoken loudly in response to charges that the DPR is not functioning adequately. He says it is not true that DPR members are just the government's rubber stamp, for many bills submitted by the government are revised through vigorous struggles by the DPR.

According to the retired lieutenant general, who once was head of G-1/Intelligence (1971-1974) at Defense and Security and, at his last military post, was chief of staff for civil assignments of Defense and Security (1978-1983), charges of the DPR's nonfunctioning probably arise because of the impression that the present system is too "executive-heavy." It was possibly for that reason, too, that in an AIPI (Indonesian Political Science Association) seminar he presented the concept that the president should consult with the DPR before forming a

cabinet. In that way, the DPR would also be responsible for the way ministers perform their duties. "More important," he said, "we would hope that through this mechanism ministers would have closer ties with DPR members."

Many people do not agree with that, and some feel he does not understand the mechanism of the Indonesian governmental system. But Kharis himself considers the matter simple. "This is just input, not a political move." He also boldly decided to help resolve the 11-year "civil death" of Ali Sadikin and the Petition Group of 50 by his willingness to welcome them for a dialogue.

In the next election, GOLKAR [Functional Group] is nominating him merely as a "vote getter" in East Java. "I consider myself an 'invalid,' and it would be strange for this country to be led by an 'invalid,'" he said. He was born in Madiun and, still strong and healthy, will be only 67 years old in April.

#### **Haji Jaelani Naro, SH [Master of Laws] (62)**

Whether coincidentally or not, ever since he failed to win the vice presidency in the 1988 MPR [People's Consultative Council] General Assembly, misfortunes have befallen him one after another. He was even kicked out by his own party when he was defeated by Ismael Hassan Metareum, SH, in the 1989 PPP [Development Unity Party] Congress.

It appears he will no longer be able to make even the DPR candidate list for the 1992 general election. There was even the report that "Naro wants to join the PDI (Indonesian Democratic Party)." His steps are being followed by his oldest son, Hussein Naro (27), now a member of DPR Commission VII, who is also not being renominated by the PPP. It is not surprising that many people are calling Naro a "party jumper." It would not be like Naro, however, if he did not argue. "I am a democrat, not a party jumper," he declared.

Finally, he decided to remain in the PPP. Other misfortunes continue to follow him, however. This time, the National Land Board has canceled his deed on 2.6 hectares of land in Kampung Sawah, Palmerah, West Jakarta, which he had claimed as his own. "That is the risk of politics," was his comment.

#### **Rudini (62)**

Many people were startled when as he awarded diplomas to graduates of the APDN (Domestic Government Academy) he said, "The government can no longer apply security approaches that put the doctrine of security above everything else." Such an approach always causes suspicion of community activities, as though the community is behind all political instability. It also destroys political awareness and puts the community in a weak position.

Because his statements are viewed as always bringing a breath of fresh air to the country's national and government life, the newsmagazine EDITOR on 15 December designated him "person of the year" for 1991.

A stocky man 160 centimeters tall and weighing 70 kilograms and born in Malang on 15 December 1929, he is known as a "news maker" who dares to say many things other people are reluctant to say. He has been even bold enough to say he is willing to be pulled out of his job as presidential assistant if the president does not approve of what he says.

He presented, among other things, the concept that level I DPRD's [regional legislatures] should be eliminated for being ineffective in overseeing level I regional governments. In land issues, he emphasizes the necessity for paying suitable compensation to citizens who are displaced. As a first step, he stresses that Home Minister Regulation No. 15 of 1975 on Land Transfers should be reconsidered. He also wants the positions of regent and governor to be restricted to just one term. To improve the quality of training, he wants all APDN training under one roof.

Many people want more of his statements that make the papers to become reality, but Yahya Nasution of the PDI last June brought up his name as a vice presidential candidate for the 1993 MPR General Assembly.

#### **Ali Sadikin (64)**

He was extremely angry and offended on 20 August of last year when people, whom he called officers, arrived to break up a meeting at his home at 2 Borobudur Street, Central Jakarta. "They even followed me into my family dining room," said the retired Marine lieutenant general and former governor of Jakarta (1966-1977). The "commander" of the Petition Group of 50 then immediately asked to meet with Coordinating Minister for Politics and Security Sudomo. "I wanted to know whether there had been a change of policy toward me. How was it that I had meetings like that for years, but suddenly they were banned?"

Coordinating Minister Sudomo marked Bang Ali [Ali Sadikin] as a dissident, along with Sadikin's colleagues, former Chief of Indonesian Police General, retired, Hoegeng Iman Santoso; former Minister of Health Major General, retired, Azis Saleh; former Minister of Mining Slamet Baratanata; and several other members of the Petition Group of 50.

Nevertheless, the year brought Bang Ali and his colleagues a little relief. On 4 July, for the first time in 11 years, the DPR met with them for a dialogue. Soon after that, Bang Ali had a private meeting with DPR Chairman M. Kharis Suhud. The DPR's first meeting with the group was in 1980, when they met with MPR/DPR Chairman Daryatmo. The DPR itself views them as still within the system. Will there be a new policy toward the Petition Group of 50 next year? "The group has to apologize to the president. As long as it does not,

there will be a problem," declared Sudomo, who charges the group with insulting the chief of state through their 1980 Statement of Concern.

#### **Abdurrahman Wahid (51)**

In the midst of concern over the stall of the democratization process and over the tendency toward "primordialism" that has been emerging in the country, he suddenly announced the creation of the Democracy Forum. Many people support it, but some worry that the forum will become a kind of "pressure group" in the country's political life. Not surprisingly, his announcement became a prolonged national issue and received reactions from a number of officials.

In cooperation with Bank Summa and the organization he leads, the Nahdatul Ulama [Muslim Scholars League], he boldly set up a people's credit bank as an effort to improve the welfare of the organization's members. This was despite the fact that bank interest is still a sensitive issue in the Islamic community.

Born in Jombang, East Java, on 4 August 1940 and now the father of four children, he often produces brilliant concepts and ideas, which frequently are contrary to the general flow. He is frequently at odds with his own colleagues. Wherever there is a seminar or speech or such like, he will nearly always be there.

He met his match, however, and had to apologize when it was learned that the PBNU [Nahdatul Ulama Executive Council] had recommended that the Hasyimiyah Junior High School in Tuban, East Java, apply for 50 million rupiah in aid funds from a charity lottery (the Social Welfare Charity Foundation).

#### **Kwik Gian Gie (56)**

He is intelligent and frequent submits brilliant ideas and strong supporting data. As an example, Minister of Defense and Security Murdani said at the PDI Leaders' Conference in Bali last January, "If Kwik were not here, I am sure that question would not have been asked by the PDI." In other words, they are lucky that Kwik is in the PDI. Unfortunately, however, the hopes of his party and probably of many other people that he would have a seat in the DPR to make the DPR a weightier body were dashed over a very small matter. Kwik, who was born in Juwana, Central Java on 11 January 1935 and is chief of the PDI Research and Development Board, neglected to register as a voter for the 1992 general election. Consequently, he did not get the "yellow card" that is a prerequisite for being a legislative candidate. Several efforts are still being made, and Kwik himself has apologized and acknowledged his mistake.

#### **Marzuki Darusman**

This father of a teenage daughter is always being sought by reporters, not only because of views that look good in the papers but also because he dares to comment frankly on anything, regardless of how many people may be

affected. Examples are the Kedungombo problem, the Cimacan land case, the price hike for electricity and petroleum fuels, and many others. He is even one of the people who believes the president should be limited to two terms of office.

It is almost certain, however, that he will not be a candidate for the next DPR, since his name is not on the final list. Despite this situation and the fact that discussion of the presidency is almost taboo for most people, he declares his desire to be president.

Because he is so vocal, many people feel the low standing on the candidate list of this former activist from Parahiyangan University, Bandung, is an indication that there is a desire to shove him aside. Born in Bogor on 26 January 1946, he has had three terms as a member of the DPR.

#### **Roekmini Koesoemoastoeti**

She is another DPR member who speaks forcefully on anything she deems right. Although she is well aware that she sits in the ABRI Faction, she says she is "a member of the DPR." Although that means she must be withdrawn from the DPR at some point, she, a police colonel, does not care. "I am in the DPR at the instructions of superiors, and if they want to pull me out, I must be prepared for that."

She pursues an issue vigorously. As an example, in a working meeting with Commission II, Minister of State and State Secretary Murdiono, who was then an ABRI major general (not yet retired at that time), politely addressed her as "Colonel Roekmini." In other words, "Remember you are a member of ABRI." The issue of political openness had begun to be discussed widely, and she was among those who talked forcefully about it.

She is to be withdrawn from the ABRI faction in the DPR. It was reported at first that she was being moved to the GOLKAR Faction, but reportedly that is not to take place, either. Word has it that she is "too vocal."

#### **Solihin G.P. (65)**

This former West Java governor and retired lieutenant general is known for being uninhibited and even arrogant. Because he has been secretary for operational control of development since 1977, he never discusses politics. The things he does discuss are the stalled BIMAS [Mass Guidance] credits, rice plant hopper infestation, fertilizer supply problems, and similar subjects. At the end of last September, however, Solihin, a native of Tasikmalaya, declared emphatically that he refused to undergo the LITSUS (special investigation), one of the important prerequisites for nomination to the next DPR.

"By requiring me to undergo the LITSUS, the confidence that the state and the chief of state has always had in me is ignored. I feel sorry for the state, for President Suharto, and for President Sukarno, who had great confidence in me," Solihin said. Undergoing the

LITSUS means that the approximately 25 decorations and recognitions he has received, including the Mahaputra Medal, the Guerrilla Medal, and others, are of no use.

Many high officials reportedly do not approve of the LITSUS. "I am actually the one who drafted the directive to disband the PKI [Indonesian Communist Party]," one minister said. They are all silent on the matter, however. Solihin is to be nominated only as a West Java representative in the MPR.

#### Prof. Dr. B.J. Habibie (55)

As though he were not satisfied with building aircraft and ships and establishing various other kinds of strategic industries, at the end of December of last year he initiated the formation of the Indonesian Association of Muslim Intellectuals (ICMI). He was then immediately elected to be the association's general chairman. Many people now are awaiting tangible work from the ICMI.

The native of Pare-Pare, South Sulawesi, and father of two children, he is always energetic and full of enthusiasm. Last July, however, he suddenly underwent heart surgery in Germany after accompanying President Suharto on his visit to that country.

He had long suffered from a heart disorder but ignored it. The operation in Germany reportedly was because of pressure from his wife, since not doing so would have endangered his life.

Last May, he toured several provinces in Eastern Indonesia with a party of 100 people, including a number of directors general from several departments. Some people said it was "his move toward becoming coordinator of development of Eastern Indonesia."

#### Rudolf Samuel Warouw (47)

This one-star general is known to be close to his troops and to the people of East Timor. His name became a focus of press reports after the Dili incident of last 12 November. He graduated from the Military Academy in 1965 and was assigned to East Timor in 1988 as chief of staff of KOREM (Military Area Command) 164/Wira Dharma. One year later, he was promoted to commander of KOREM 164/Wira Dharma and at the same time to deputy PANKOLAKOPS (commander of Operations Executive Command) for East Timor. In less than a year, he became PANGKOLAKOPS.

It was under his leadership that the East Timor Operations Executive Command was changed to a territorial operation known as Operation Compassion.

Because the 12 November incident in Dili was considered the responsibility of the local command, President Suharto as ABRI supreme commander removed Brigadier General R.S. Warouw from his post as PANGKOLAKOPS and Major General Sintong Panjaitan from his position as commander of KODAM [Military Region Command] IX/Udayana.

## ECONOMIC

### Shares Transfer by Conglomerates

#### Status Report

92SE0132A Jakarta SUARA KARYA in Indonesian  
30 Dec 91 pp 1, 9

[Text] Jakarta, SUARA KARYA—President Suharto's appeal to large companies to sell or transfer some of the shares of their stock to national and local level cooperatives has met with a positive response. The evidence of this is that by 28 December 1991 118 companies have been listed which have sold and transferred shares of their stock to 1,051 cooperatives throughout Indonesia. The firms listed include PT [limited company] Charoen Pokphand Indonesia and PT Central Proteina Prima, which on 28 December sold 280,000 shares of their stock to 28 cooperatives. The sales memorandum covering this transaction was signed at the Department of Agriculture in the presence of Minister of Agriculture Doctor Wardoyo.

When he was contacted by a SUARA KARYA representative at his home on 28 December, Subiakto Tjakra Werdaja, director general of cooperative development affairs, said that the sale of shares of stock to the cooperatives by PT Charoen Pokphand Indonesia and PT Central Proteina Prima brings to 118 the number of large companies recorded as having sold or transferred shares of their stock to the cooperatives. This means that 73.75 percent of the 160 large companies which had expressed their willingness to sell or transfer a portion of their shares of stock to cooperatives have already done so.

The 118 companies have sold or transferred shares of their stock to 1,051 cooperatives throughout Indonesia. This also means that 86.54 percent of the 1,203 cooperatives which planned to buy or receive shares of stock sold or transferred to them in 1991 have done so. Meanwhile, a total of 43,801,688 shares of stock have been transferred or sold to cooperatives, or 80.3 percent of the 54,568,438 shares of stock planned to be transferred or sold. The stock has a nominal value of 1,000 rupiahs per share.

Subiakto told a SUARA KARYA representative: "This is a good development. At the same time it indicates that major business figures not only have taken the invitation of the president seriously. It also means that major businessmen have taken part deliberately and willingly in the development of cooperatives as pillars of the national economy."

Subiakto said that well before the statement by President Suharto it was not so much that major business figures did not support the development of cooperatives. Rather, it was a fact that these businessmen lacked information and did not know very much about the development of the national cooperative movement. Subiakto said: "It turned out that after the appeal by the

president and after we urged a number of businessmen to take a close look at cooperatives, the businessmen expressed their complete willingness to help the cooperatives."

According to Subiakto, the transfer or sale of shares of stock to the cooperatives by business firms was not at all an act of charity. Rather, it was a kind of soft loan. This is because the cooperatives which receive or hold shares of stock must sincerely try to increase their ability to develop. It would be particularly useless if the cooperatives holding shares of stock in large companies made no meaningful progress toward developing themselves after they obtained the shares of stock.

#### Strategic Significance

The transfer or sale of shares of stock in companies to the cooperatives has highly strategic significance. Subiakto considers that the transfer or sale of shares of stock to the cooperatives will accelerate the process of spreading the benefits of development more evenly. This is because the transfer or sale of shares of stock is the initial step in the phased redistribution of assets to weaker economic groups.

Furthermore, the transfer or sale of shares of stock to cooperatives also provides an opportunity to the cooperatives to participate in the process of industrialization now under way. In this way the cooperatives will also have a share in the process leading to the era of industrialization. Subiakto said: "This means that the cooperatives should not be left behind. Rather, the cooperatives will be directly involved in the process of industrialization, with the result that they themselves will join in the process of development leading to the era of industrialization."

Subiakto said that in his view the transfer or sale of shares of stock in business firms to cooperatives is the beginning of a process of strengthening the bonds between business firms and cooperatives. This is because the principal objective to be achieved is not only to overcome the problem of a capital shortage facing the cooperatives. It also involves the development of cooperatives as such. This means that companies which transfer or sell some of their stock also participate in the development of cooperatives and in increasing their level of activity, in terms of the specific activities of the respective business firms.

Subiakto gave as an example the Hero Supermarket chain, which has helped to increase the activities of the "Cibede" cooperative in the Regency of South Bandung. Vegetables produced by members of the cooperative or by the cooperative itself are purchased by the Hero Supermarket chain on a daily and continuing basis. Subiakto said: "At first many of the vegetables were rejected because the quality of the produce offered for sale by the cooperative was very low. However, since the program has been further developed by the Hero Supermarket chain, every day tens of tons of vegetables from

the cooperative are purchased by this self service company. This is what I mean by strengthening this effort."

#### No Social, Political Security Benefit

92SE0132B Jakarta *KOMPAS* in Indonesian 30 Dec 91  
p 2

[Text] Jakarta, KOMPAS—Providing a balance of social and political security benefits in the interest of business conglomerates is not the idea behind the allocation or sale of some shares of stock in such conglomerates to employee cooperatives (Kopkar) in the Indonesian Armed Forces and the government's civil service. Although on a national scale the sale of shares of stock in this way indeed provides a kind of guarantee of continued company activity, cooperatives in the Indonesian Armed Forces and in the civil service should be regarded as still being economically weak groups which may properly be helped.

Subiakto Tjakrawerdaja, director general of cooperative development affairs, made this statement in connection with the fact that many business conglomerates now tend to invite cooperatives in the Indonesian Armed Forces and the civil service to purchase shares of stock in these companies. He spoke at a program on "The Evaluation of Cooperative Development During 1991," which was held in Jakarta on 28 December. He said: "Cooperatives in the Armed Forces have the same advantages as other cooperatives. Therefore, there is no other reason for setting them up, such as obtaining a kind of security guarantee for the continuation of the conglomerate business firm."

According to the director general of cooperative development affairs, on a national basis the sale of shares of stock to cooperatives can provide an opportunity for obtaining a kind of social and political security benefit for the continuation of the business firm, that is, leaving aside community criticism based on suspicions of social and economic partiality. This is because the conglomerates can become national assets over a period of time by providing an opportunity to the general public to participate in owning shares of stock, among other things through cooperatives, which are still weak elements in the national economic structure.

Subiakto declared: "For that reason, out of the shares of stock made available to the people a cooperative of employees of that company is limited to buying a maximum of 40 percent of the shares of stock in the company. It is this limitation on the number of shares of stock for the company employees cooperative which distinguishes this program for the transfer of shares of stock to cooperatives from ESOP programs overseas. This program places greater emphasis on the aspect of evenly distributing the stock." ESOP programs (Employee Stock Ownership Programs) are arrangements which provide an opportunity to employees to participate in the ownership of stock in their company.

**Unjust**

Regarding the number of shares of stock provided to the people through the cooperatives, a limit of just one percent of the total shareholding in each company has been authorized, and not the 25 percent which President Suharto proposed. The director general of cooperative development affairs admitted that the special right of the employees cooperative involved to own up to 40 percent of the total number of shares of stock sold might be felt to be unjust. He said: "However, this is the result of a more appropriate compromise, bearing in mind that during the initial discussions of the matter the company representatives urged that all of the shares of stock be earmarked for the local cooperative."

In that connection the director general of cooperative development affairs said that some people have commented that many cooperatives would deliberately be established for the sole purpose of buying company stock, with the result that, although they may be less than one year old, they will already own shares in the company. He stated: "This is certainly true. However, it would only be in effect for the employees cooperative in the local company. In this connection we should consider the position of the company involved. For if it does not set up a cooperative among its employees, it would be criticized. Now the company would also be open to additional criticism if it set up a cooperative to ensure that not many of its shares of stock fall into the hands of people from outside the company."

The director general continued, saying that the important thing is that the company involved or the company which has not yet sold shares of its stock should have an understanding of the cooperative movement. As a matter of fact, if the company had an employees' cooperative, the labor movement there would be relatively more developed. This is because gaps in providing welfare services can be resolved by the employees on a collective basis through a cooperative.

Based on SE-05/M. EKUIN/1991 [circular letter of the coordinating minister for economics, finance, industry, and development supervision] concerning the question of selling shares of stock to cooperatives, 160 companies have been registered which wish to sell a total of 54,568,438 shares of their stock to 1,203 cooperatives. As of the middle of December 1991, under this plan only 43,521,668 shares of stock in 116 companies had been distributed to 1,023 cooperatives. That is, more than 17 million shares of stock have been transferred to 124 local cooperatives, about 14 million other shares of stock have been transferred to 324 village level cooperatives, and more than 12 million shares of stock have been transferred to other, functional cooperatives, including cooperatives in the Indonesian Armed Forces. The transfer of the remaining 11,046,770 shares of stock in 44 companies to 180 cooperatives is still pending.

Of the 116 companies which have turned over shares of their stock only 11 have distributed dividends valued at

more than 3.43 trillion rupiah to 266 cooperatives. Of that total the dividends actually received by the 266 cooperatives have amounted to somewhat more than 1.294 trillion rupiah because about 2.135 trillion rupiah were deducted by the companies involved to pay for the shares purchased by the cooperatives, on an installment basis. The 11 companies involved include: the Bank Bali, the BII [Bank Internasional Indonesia], the BUN [Bank Umum Nasional—National Public Bank], Lippobank, Astra International, Gudang Garam, UIC [Indonesian Christian University], Centex, Teh-nusamba Indah, Japfa, Comfeed, and Hero Mini Supermarket.

Meanwhile, out of the total funds deposited by 57 companies owned by the BUMN [State Owned Business Board] for the development of cooperatives and the economically weak group (50 percent for each category), only 15 percent has been used by the cooperatives, that is, more than 7.985 billion rupiah by 214 cooperatives. The fund created by the 57 BUMN companies through the allocation of from one to five percent of net profits is rather substantial. These 57 companies come under nine government departments. This fund can still be used more effectively, especially bearing in mind the program for the development of 4,000 independent, village level cooperatives under the Fifth Five-Year Development Plan. As of 19 December 1991 it has been possible to establish only 2,092 such cooperatives.

**Commentary on Nuclear Energy Controversy**

92SE0133A Jakarta BISNIS INDONESIA  
in Indonesian 29 Dec 91 p 4

[Text] The controversy surrounding the construction of a Nuclear Energy Electric Generating Plant (PLTN) in the village of Ujung Watu, Keling District, Jepara County, Central Java, will apparently be going on for a long time.

Whereas B.J. Habibie, minister of research and technology, was quoted as saying that it is not possible to cancel the construction of the PLTN because so much money has already been spent, the Environmental Protection Group (WALHI) sharply stated that "Indonesia does not really need a PLTN".

In fact, WALHI said the PLTN was not being constructed because of energy needs.

There are many other strategies which could be followed to reduce electricity needs or to provide electricity from other sources, the group said.

The government claims that Java alone will require an estimated 27,000 megawatts of installed electric capacity in 2015.

After carefully counting in the use of hydroelectric, geothermal, natural gas and coal power sources, it is estimated that at least an additional 7000 megawatts will be needed.

With our increasing ability to control nuclear technology, it is hoped that the use of nuclear energy as an alternative energy source can make up the short-fall in electric power.

If the short-fall in electric power is to be made up completely by PLTNs, each with 600 to 700 megawatt power units, seven to 12 PLTN units will be needed.

If each unit goes into operation in sequence every two years, 12 to 22 years will be needed before 2015. This means that the first PLTN must go into operation between 1993 and 2003.

A realistic estimate is that the first PLTN unit will require an oversight period of around 13 years, including project feasibility studies, site, environment, permits, engineering and construction.

In May 1991 New Japan Engineering Consultants, Inc. (Newjec) was appointed to carry out the feasibility studies. This entire study will take four and a half years and the technical-economic feasibility results will be ready at the end of the second year.

However, WALHI believes that it will not be possible to construct two nuclear reactors every year, each with a capacity of 600 megawatts.

WALHI has its own calculations. Given a gross national income (PDB) growth rate of only 8.75 percent in the year 2000, only 11,500 megawatts will be needed.

With a PDB of 8 percent, only 23,000 megawatts will be needed in 2010, far below the government's estimate.

In fact, WALHI also thinks that industrialization can be spurred on without using PLTNs.

If we are forced to build PLTNs, it will cost between 1.4 and 8.7 trillion rupiahs per year during the period 2005 to 2010. These figures are just for the costs of the capital, the fuel, the operating costs, the feasibility studies, waste processing and the environmental impact analysis.

WALHI estimates that energy growth will stabilize around the year 2050. This means that 8 trillion rupiahs will have to be made available for operating PLTNs up to the year 2050.

That is why the World Bank has advised Indonesia not to construct PLTNs and has also decided not to provide funding for such construction here.

#### Since 1968

Soekotjo Joedoatmodjo, general deputy of BATAN [National Atomic Energy Board], said that the possibility of constructing a PLTN in Indonesia has been under investigation since 1968. A Construction Preparation Committee, consisting of people from BATAN and the Department of Public Works, which at that time was in charge of electricity, was formed in 1972.

This commission, which has been working for about 10 years, held seminars and workshops in 1973, 1974, 1975, 1976, 1977 and 1979.

PLTN site studies were begun in 1974 and feasibility studies, aided by the International Atomic Energy Agency, were begun in 1975; in 1978 the results of these studies were submitted to the government.

The studies were brought up to date in 1985 and completed in 1986 with aid from France and Italy.

One of the conclusions was that a PLTN could be built in Indonesia around the year 2000 but that more detailed data would be needed in order to look for an alternative site for that PLTN.

Soekotjo pointed out that the President, in his statement of 11 December 1989 made at the inauguration of various BATAN, LIPI [The Indonesian Academy of Sciences] and BPPT [Technology Application and Research Board] laboratories in Serpong, said that starting now we must do our best to get ready to construct a PLTN.

Some time ago the President also told the Director General of BATAN to begin preparations to construct a PLTN right away and to include attention to problems of public safety and the environment in those preparations.

It is estimated that 7000 megawatts of PLTN should be installed by the year 2015.

The President said at a ceremony inaugurating the Radiometallurgy Installation and the Reactor Techniques Safety Installation at the Serpong Technology and Scientific Research Center in December 1990 that we will need a large amount of electric energy for the future large-scale development of our industries and our agriculture and that many of our people still do not have access to electric power.

We have water, coal, natural gas, geothermal and other energy sources for producing electric power.

We can also use the sun and the wind to produce electric power if we use up the other sources, but the cost of production is very high.

If these sources of energy are not sufficient, there is nothing left for us to do than to consider the use of nuclear energy and construct a Nuclear Energy Electric Generating Center.

Therefore, we must think about constructing a Nuclear Energy Electric Generating Center. The president asked the Department of Mining and Energy, the Office of the Minister of State for Research and Technology and the Atomic Energy Board to make the best preparations possible.

It must be admitted that the use of nuclear energy involves certain risks. Such risks exist in using any technology. We do not need to hesitate any longer in

applying this technology as long as we make careful plans, especially in the area of safety.

In life we often must be bold enough to face calculated risks because risks are also a challenge. Only a nation which can face challenges is a progressive nation, said the Head of State.

The president also stated his belief that nuclear technology has progressed to the point that the risk of an accident is very small if all safety factors have been taken into consideration.

On various occasions, the minister of research and technology has also explained that building large-scale industries must be supported by the timely availability of sufficient electric power.

There is a short-fall of 7000 megawatts of electricity on Java; after counting in the use of all other energy sources, plans are to make up this short-fall by the use of nuclear energy.

The minister of mining and energy has stated that oil reserves are very limited, that they must be husbanded and that the construction of a Nuclear Energy Electric Center can no longer be avoided.

A National Energy Coordinating Board (BAKOREN), consisting of the nine ministers of the Development Cabinet and the director general of BATAN and headed by the minister of mining and energy, was formed in accordance with Presidential Decision No. 46 of 1980.

In its meeting of September 1989 BAKOREN decided that BATAN should undertake a feasibility study, which will cover a PLTN site evaluation, an economic study and an ecological and environmental study.

By his letter of decision dated 25 January 1990, the minister of mining and energy formed a PLTN Feasibility Study Daily Guidance Committee, consisting of high-ranking officials from the Department of Mining and Energy, BAPPENAS [National Planning Board], KLH [Environment and Population], BPPT [Technology and Research Application Board], PLN [National Electricity Company] and BATAN.

At present, BATAN is preparing to carry out a feasibility study and a site study; these studies will include an investigation of technical, economic, funding and other problems, as well as a safety analysis, an environmental impact analysis and a choice of an alternative site.

It is estimated that this study will take about four and a half years starting in 1991.

A nuclear installation to support authority over nuclear reactor technology, nuclear fuel, radioactive waste processing and safety technology has been built at the Serpong Technology and Scientific Research Center.

In addition, BATAN is continuing to increase the development of manpower resources, the role and the [word missing] of local industry and to provide the populace with information.

It is hoped that the first PLTN will begin operation in 2003, to be followed by other PLTNs, until the 7000 megawatt short-fall is made up in 2015.

The government has not yet set up a State Enterprise Board to manage the PLTNs. Soekotjo said, however, that the management of the PLTNs will probably be given to the PLN. Besides its main functions of oversight and regulation, BATAN will only have a preparatory function.

### Editorial Questions Tax Fairness

92SE0150A Jakarta *MERDEKA* in Indonesian  
9 Jan 92 p 4

[Unsigned editorial: "The Tax Problem"]

[Text] Too many observers say the 1992-1993 RAPBN [Draft National Budget] is an RAPBN of taxes, because in it state revenues from things other than oil and natural gas come mostly from taxes, i.e., income tax, value-added tax, land and construction tax, import fees, duties, and other taxes. Export taxes are the only taxes not being increased.

Tax revenues under the 1992-1993 RAPBN are projected to be 10,930 billion rupiah, an increase of 36.3 percent over the 1991-1992 APBN [National Budget] figure of 8,020.9 billion rupiah. This increase is larger than their average annual growth of 21.3 percent during the period 1984-1985 to 1990-1991.

To reach that target, the director general for taxes announced that as of 15 January there will be several new provisions on income taxes, value added taxes, and sales taxes. The new income tax regulations involve, among other things, changes in income tax on interest on time deposits, certificates of deposits, and savings and on the discount on Bank Indonesia certificates.

On 15 January, the 5 million rupiah limit on savings and deposits subject to tax will no longer apply. In addition, on 1 April a 10-percent value-added tax will be imposed on large-scale retailers with an annual gross turnover of 1 billion rupiah. Retailers have not previously been taxed.

In short, the number of people subject to taxes will be enlarged, and targets will be more intensive as well as more extensive. It appears, however, that indirect taxes will remain dominant over direct taxes. This means that a society that is still just getting by will continue to be evenly affected by taxes.

Naturally, this is still unfair, because this even distribution is not based on a spirit of fairness toward the haves and have-nots. For that reason, many legislators want direct taxes to be greater than indirect ones.

Furthermore, tax officials are going to have trouble with taxes on interest on time deposits, certificates of deposits, and savings. In the end, it is possible that people with money will again put their money "under their pillows" to avoid such taxes.

Will current conditions under which funds are scarce and sluggish, particularly because a tight money policy is still in effect, not have an impact on income taxes? Because big businesses clearly will not be able to expand, their value-added taxes will decline.

It is a different matter, however, if taxes in Indonesia are imposed because the demand for funds from domestic sources indicates that we are close to having the capability and strength needed for self-sufficiency. Of course, then, the nonoil sector must be used for state revenues.

In this connection, the language of taxes as a reflection of democratic climate indicates democracy is still far off, since taxes will be compulsory, rather than voluntary on the part of people who understand. That means taxes will be felt more as an authoritarian value rather than an expression of openness and democracy.

Even beyond that, the understanding of taxes may tend toward neofeudalism. For example, there is the idea that taxes mean nothing more than the tribute paid by slaves to sultans in ancient times. Thus, it is certainly irrelevant to say that taxes afford a sense of belonging in the context of the ongoing development of one's country.

Furthermore, we feel it is irrelevant to relate taxes to a feeling of openness, democracy, and respect for basic human rights. It is possible that at some point the understanding of taxes will erode to the point that taxes are categorized as payment of tribute by the powerless to those who hold power.

It is also possible, that many people will view taxes in the way taxes were experienced during Dutch colonial times and during the triumphal periods of the sultans when feudalism reigned. It is certain that the people will grumble and ask (however quietly) where the benefits of their taxes have gone.

For that reason, consideration and study should be given to the way that taxes have become a goal for the sake of continuous development and a balanced budget. Policy makers must always give primary consideration to the cultural and humanitarian dimensions of national tax revenues.

#### **Barter Trade Sought With Former Soviet Republics**

92SE0150B Jakarta PELITA in Indonesian 28 Dec 91  
p 3

[Text] Jakarta (PELITA)—Following the collapse of the Soviet Union, Indonesian trade, which has been under

the barter system, will continue through expanded approaches to each of the Commonwealth and Baltic republics.

Junior Minister for Trade J. Soedradjad Djiwandono stated this to the press on Tuesday, 17 December following a meeting in Jakarta between the Export Support Council (DPE) and exporters who receive DPE assistance.

He said regardless of how weak the Soviet Union is, such approaches must continue, and Indonesia must choose which republics it will visit.

It is clear, he said, that Indonesia must approach the largest and richest of the republics and those that possess abundant natural resources, which means Russia, Ukraine, and Belarus, the three former Soviet republics that have now formed a new commonwealth of independent states. This does not mean, however, that we will forget other republics with potential, such as Uzbekistan, which is rich in cotton and has had trade with Indonesia.

Thought and consideration must also be given to whether products from the Soviet republics are compatible with ours and thus enable trade to be mutually beneficial. In dealing with a situation such as in the Soviet Union, the suitability of products is an absolute necessity for barter trade.

#### **Must Be Able To Endure**

Because of the uncertain situation in the Soviet Union, the Indonesian Government through its ambassador has made an assessment of approaches that must be made. "Approaches to governments will be made before approaches are tried through businesses. If businesses are successful in getting contracts and need support or intervention by the government, we can do that," he declared.

He acknowledged that businessmen who go to the Soviet Union must be ready for conditions and situations of the worst sort. For that reason, those who can continue to trade and do business with the Soviets will be big businesses and those who can endure.

"Four or five trips to visit businesses may be needed, and going there is difficult and expensive. Since at least five visits will be needed to get one contract, how could a small business carry on such trade? If big businesses are successful, they can try to link up with small businesses," he said.

Consideration is now being given to which trading companies are needed to penetrate markets overseas.

Countries like the Soviet Union that have little foreign exchange generally desire to conduct barter trade. Since such trade needs to be balanced, those with something to sell naturally must ask their trading partners if they want to buy. If not, there will be no trade.

**'Neutralist, Democratic' Party Formed Overseas**

92SE0121A Bangkok *KHAO PHISET* in Thai  
2-8 Dec 91 pp 27-29

[Article by Natawut Rungwong]

[Excerpt] [passage omitted] On 2 March 1991, at a time when the world was still recovering from the Gulf war, Lao refugees in France and the United States who refer to themselves as new intellectuals and who are led by Thanom Choknoi and Vongvirat Chanthapanya in France and Khambang Sibounruong and Khamphai Phuthachak in the United States convened a conference in Tennessee in the United States. At that conference, they established a political party called the Lao Neutralist-Democratic Party. Those who share these ideals call this the "New Neutralist Party." The top party leader is Thanom Choknoi, who holds the position of party general secretary. Khambang Sibounruong is the deputy general secretary and the party's representative in coordinating things with Lao people and obtaining support from allies in the United States. During the conference, they drafted a party platform consisting of 66 articles and announced that 2 March was the official date of the establishment of the party.

As for why they wanted to establish this new neutralist party, the old neutralist party was known as the "Neutralist National Revolutionary Movement of the Lao People," the head of which was General Kong Le. Many Thais probably know Gen. Kong Le as a right-wing Lao general. He is usually thought of along with another right-wing general, Gen. Vang Pao. Thanom Choknoi, the general secretary of this new neutralist party, told *KHAO PHISET* that this new party was established because Gen. Kong Le engaged in activities that "lacked national consciousness" and activities that are contrary to the ideals of younger intellectuals. Gen. Kong Le created enemies both in and outside the party and in neighboring countries, which weakened the party. "The struggle is very weak, because such actions are tantamount to closing the door on yourself," said Thanom. But what is even more important is that Khambang Sibounruong, the deputy party general secretary, said that this stemmed from a meeting with two U.S. senators, Bob Smith and Bob Kerman, in Washington, D.C. They met with them for two and one half hours on 10 December 1990 to discuss a "new plan for the peace and independence of the Lao people." During the talks on this new plan, the two U.S. senators "gave suggestions" to Khambang Sibounruong about the "national liberation struggle of the Lao people. They suggested that new struggle leaders be chosen in order to serve as a bulwark for the Lao people." Thus, they have split away from Gen. Kong Le with the support of these American senators.

An important point to note about this new political party is that it has not used the words "nation, religion, and monarchy" to mobilize people. Unlike other Lao national liberation groups and anti-government groups

that have carried on activities and failed, they have not talked about toppling the communist system and restoring a government headed by the king. What they are talking about is having multiparty system, a democratic system.

"We have formulated a new neutralist policy and have a new set of party ideals. We want Laos to be fully independent. We want it to be a neutral, democratic country that is governed by many political parties, that is, both opposition and government parties. The various factions can argue with each other using the laws of the country. They can fight using peaceful means based on national ideals. We want all groups in Laos to play a role in deciding the political future of the various parties," said Thanom Choknoi concerning the ideal of this new neutralist party.

The general secretary of this new neutralist party said that the party hopes to wage a two-front struggle. That is, they want to fight for the independence of Laos, because at present, the Communist Government is under the influence of Vietnam. And second, they will struggle to bring about a democratic form of government in which there are many political parties. They have stipulated the following steps: 1. Topple the present Communist Government, which they refer to as the Red Lao dictators. 2. Hold talks in order to form a coalition government. 3. Prepare for a general election. The neutralist party is prepared to serve as either a government or opposition party.

Ever since the party was formed, the party leaders in the United States and Europe have been trying to get Lao people to join the party and mobilize capital. In particular, the party general secretary said that in France, the party has established 11 party branches. It has published a book entitled "New Hope on the Neutralist Path." It has requested donations from Lao people living in France and the United States. It has also coordinated things with various overseas Lao political parties and political groups "in order to win more friends, reduce the number of enemies, and fight the common enemy." In the United States, American senators have advised Khambang Sibounruong to form a party committee composed of 45-50 people in order to have a clearer form of struggle.

As for the front line forces, the leader of the new neutralist party said that there are forces in southern Laos that are led by a former provincial governor. He was put in command of the forces in place of Colonel Khambun Phimphasen, who was arrested by Lao officials. In northern Laos, the commander is a Lao revolutionary who once fled to France. As for the central region, things are being coordinated with forces that oppose the Lao Government. The new neutralist party has divided the overseas support forces into branches. The party branch in the United States is helping the forces in southern Laos. The party branches in Europe are helping the forces in northern and central Laos.

The missions assigned by the party to the fronts are: (1) to mobilize the masses and protect the masses within the country (2) to carry on guerrilla and psychological operations (3) to harass the communist government and (4) to serve as links to the political groups that are waging a struggle in third countries so that they have greater political weight internationally.

"If we wage a struggle alone, it will be difficult for us to succeed. It is essential to establish relations with friendly countries that support the struggle of Laos. We need their sympathy and support," said Thanom Choknoi concerning the help of friendly countries.

The latest meeting with people from a friendly country took place on 26 July at the U.S. Congress in Washington, D.C. Khambang Sibounruong met with 12 American senators. He said that these senators expressed great interest in the problems of Laos. The talks that day lasted nine hours, that is, from 0900 to 1800 hours. During the talks that day, they discussed the following issues: (1) American prisoners of war captured by the Lao Government and imprisoned since the Indochina War (2) U.S. congressional discussions on Laos (3) a meeting with the U.S. secretary of defense, and (4) trips to Thailand, Vietnam, Cambodia, and Laos by Khambang and his six man party to discuss the problems of Laos.

After that nine hour meeting, Khambang traveled to those four countries aboard an American Air Force aircraft.

"The important conditions for the future of our country have been on the negotiating table of the superpowers since 26 July 1991. There are several things that should help our struggle. With luck and with our capabilities, we have a good chance of succeeding," said Khambang.

"The people of Laos and the peoples of the world know that the struggle against the communist dictators in Laos has never stopped. The masses in the world want a democratic form of government. If a country has a dictatorial government, there will be a fierce struggle in that country until victory is won. The patriotic Lao groups that love justice are waging a resolute struggle against the communist dictatorship in Laos. We continue to adhere to our ideals, knowing that justice will prevail over injustice. That is, democracy will defeat dictatorship," said Thanom Choknoi confidently to KHAO PHISET.

Lao Government information officials assigned to the Lao Embassy in Thailand said that they do not know anything about this group. It is probably a group that has bad intentions toward Laos rather than a revolutionary group. As for the claim that the leader of the new neutralist party met with U.S. senators on several occasions, that is probably not true. That is probably just propaganda. They probably want to get donations from refugees abroad, claiming that they will use the money to carry on a revolution. Instead, they have probably pocketed the money. If they really have talked with U.S. senators, they have probably acted in a similar fashion.

That is, they have formed a group using revolution as a cover in order to obtain money for themselves.

As for the claim that they have forces operating in Laos, that is simply not true. In Laos, there are just small groups that smuggle buffaloes from Laos across the border and sell them in Thailand. And they smuggle motorcycles across the border from Thailand and sell them in Laos. As for groups that oppose the Lao Government, Thailand and Laos have signed an agreement on ending the fighting by requiring the antigovernment groups along the border to go to a Lao refugee center in Thailand.

"This is groundless. The fighting has died down. It would be better if the Lao refugees returned and participated in developing the country. Don't believe them. Laos has its own special characteristics. Things must be done in the Lao way. We can't have a democracy suitable to some other country," said the Lao information official about these reports to KHAO PHISET. [passage omitted]

#### PRC Border Trade Surplus

92SE0102A *Vientiane PASASON in Lao* 8 Nov 91 p 2

[Text] During the first nine months of this year, trade between Luang Namtha Province and Ching Hung County, Yunnan Province, China, exceeded 900 million kip. Of this, the value of Lao exports was 455,842,814 kip. Imports totaled 447,834,250 kip.

The man responsible for trade in Luang Namtha Province said that most of the goods exported by Laos are timber, agricultural, and forest products. Imports from China consist mainly of industrial goods, building materials, and consumer goods. Since we began trading with China, the people's standard of living has improved greatly.

#### PRC Corporation in Savannakhet

92SE0102F *Vientiane PASASON in Lao* 5 Nov 91 p 1

[Text] In the middle of October, the Non Koui Economic Development Company from Nanxiong County, Kwangtung Province, China, reached an agreement with Savannakhet Province on leasing a seven-story building under the control of the state. It will lease the site in order to build a light industrial enterprise and provide tourist services.

Construction on this building has not yet been completed. Thus, the lessee will complete the construction and make repairs. The total area is approximately 6,920 square meters. The province will lease the building for 16 kip per square meter per year. The company has been given a 50-year lease.

**Phou Kout Aircraft Shootdowns, Combat to Mid-1970**

*92P30060A Vientiane KONGTHAP PASASON LAO IN Lao 27 Sep-3 Oct 91 p 3*

[Excerpts] Phou Kout is located to the left of the intersection between Meuang Soui and Meuang Kheung on the Plain of Jars. Or, if we walk along Route 7 to the Nam Ngum Bridge, we can see Phou Kout. It is only about 10 km from the bridge to Phou Kout. [passage omitted]

During the war for national salvation, Phou Kout became the most fiercely contested and protracted battle zone. It became the front line of defense for the Plain of Jars and Xieng Khouang. It was not only the site of confrontation against the attacks of the puppet infantry of the old Vientiane regime and the Vang Pao Special Forces, but here we also confronted the day and night artillery shelling from the evil foreign mercenary forces as well as the bombs and rockets of their Air Force.

During the six years of combat as our Army defended Phou Kout—from mid-1964 to mid-1970—on average each day no fewer than 20 bombs fell on the Phou Kout zone. Their troops moved in to grab nearly 30 positions near Phou Kout. Each day they fired infantry weapons, 81 mm mortars, and 57 mm "DEKA" weapons in the attack on Phou Kout. Their Air Force bombed in support of the infantry. On some days they flew from 200 to 500 sorties using everything from T28s to various types of jet aircraft. From the top of Phou Kout to the bottom, the mountain was filled with bomb craters and the elevation of the summit was reduced by 7 meters. By the looks of the craters, not even the smallest insect could have survived.

The attacks on Phou Kout were so vicious because it was the choke point going onto the Plain of Jars in Xieng Khouang. The combatants of Battalions "F" and "E" [6th and 5th letters of the Lao alphabet respectively], assigned to protect this strategic point, were unanimously resolved to do so to the last man. [passage omitted]

The enemy suffered heavy losses and deaths. We put more than 500 enemy troops out of action and shot down or damaged 13 aircraft. From 1964, we completely wiped out one company, captured and destroyed two 155 mm guns, and shot down three planes. These actions totally smashed all enemy attacks against Phou Kout. [passage omitted]

**Expatriate Investor Profiled, Comments on Tourism**

*92SE0102C Vientiane PASASON in Lao 21 Nov 91 pp 2, 4*

[Text] Foreign investors are very interested in investing in hotel and tourist activities. A survey conducted by the Foreign Investment Control Committee has shown that

from 1988 to November 1990, the hotel and tourist industries were given permission to carry on nine projects.

As for investments by foreign investors in these sectors, many people have expressed an interest in this and asked why foreign investors are so interested in hotel and tourist activities. How would foreign investors answer this?

Mr. Surin Thipakeson, an expatriate Lao investor who now lives in Canada and the deputy head of the Lao Trade Council in Canada, said that during his visit to Laos, when he saw the economic growth and development of Laos, he became very interested in investing in Laos, particularly in hotel operations involving hotels with approximately 60 rooms. Investing in this will provide places for people to stay. Later on, he would like to invest in other projects such as agricultural projects (new types of cultivation), animal husbandry projects, and the application of fertilizer. Mr. Lee Jianglung, a Taiwanese businessman, who invested in building the Dok Mai Daeng Hotel (the former young men's center), said that before he first visited Laos five to eight years ago, friends told him that the situation in Laos was very frightening. But when he arrived here, he found that just the opposite was true. He saw that those criticisms were unfounded. But during his first visit to Laos, living standards were very different from now. Laos has now changed greatly. This has encouraged him to invest in Laos. He has focused on investing in hotel activities. These are important decisions, because the Lao and Taiwanese people have a similar racial background, and the Lao people are friendly and do not like to argue. His reasons for investing in the hotel industry here are different from those of other businessmen. That is, the profits earned from this will create a foundation for investing in other activities. After creating this foundation, he plans to establish a support organization to help the Lao people, because the Lao people still have many problems. Around the middle of 1991, he donated \$20,000 to the Mahousot Hospital and \$5,000 to the Si-omphon Temple. He provided 400,000 kip in support of the 1991 Lao national boxing championship. Today, he is looking for ways to help the patients at the Mahousot Hospital. He provides meals once a day, particularly for poor patients who do not have families.

Actually, investments by foreign investors in the hotel sector will help draw tourists to our country. This will also help expand this sector. Our country has beautiful natural scenery and wonderful customs and traditions.

**Minister: Finance, Salary Problems Being Solved**

*92SE0102B Vientiane PASASON in Lao 11 Oct 91 p 1*

[Text] On the evening of 7 October, Mr. Kikham Vongsai, the deputy minister of economic planning and finance, told reporters and other people that the salary situation of cadres, soldiers, and state employees in various places in the country is improving. The Ministry of Economic Planning and Finance has allocated money

for the various localities as authorized by the government. Billions of kip have been allocated to pay the back wages owed people.

Deputy Minister Kikham Vongsai said that in the past, the reason why cadres, soldiers, and state employees in many provinces were not paid on time is that the districts and provinces were allowed to handle things themselves, which led to loopholes in the economic control of the provinces and unfair financial practices.

In Vientiane Province, some people have not been paid their salaries for several years because of the debt and financial problems among the public sector, the private companies, and the state enterprises, with the debt reaching 3 billion kip. The debt problem arose because the economic administrative apparatus placed too heavy a burden on the localities. This created problems. The center has provided Vientiane Province with more than 300 million kip. At the same time, Vientiane Province has urged the companies and state enterprises to pay their debts. Thus, the salary situation of the cadres, soldiers, and state employees in Vientiane Province and many other provinces in the country has improved greatly. In the future, there shouldn't be any major problems concerning salaries. The Ministry of Economic Planning and Finance is solely responsible for controlling financial and budgetary matters.

#### Sales, Investment Conditions for Honda

92SE0102D Vientiane PASASON in Lao 25 Nov 91 p 2

[Text] A major story in automotive circles in our country is that the Honda Company has built a vehicle assembly plant in Laos. Actually, about 65 percent of the vehicles in use in Laos are Hondas. People in both Vientiane City and in the provinces are very interested in this, because we have never had such a plant. Also, the people hope that prices will drop now that a plant has been built here. When we visited the plant, we saw large numbers of people entering and leaving. Mr. Sanoe Chunlamani, the technical manager and public relations official, welcomed us with a cup of tea, which was quite appropriate in view of the cold weather. During our chat, he said that a foreign company owns all the shares in this plant. This company has invested here in accord with the Investment Law promulgated by Laos. This is a private company and is not a "branch" of any country. The plant imports parts and assembles Honda motorcycles. To date, the plant has assembled eight different models, with engine sizes ranging from 100-cc to 150-cc. At present, Honda motorcycles have a market share of more than 60 percent. A 100-cc motorcycle costs \$1,500. Today, the plant can assemble 40 of these motorcycles a day. These motorcycles meet the standard for Honda motorcycles, because the parent company in Japan has sent people to inspect things.

During the first year of production, the New Chip Xeng Company Ltd. has paid the Lao Government various taxes, including import duties. As for profit margins, this is now being discussed with the government. According

to the Investment Law, the Lao Government must waive the income tax for a period of two to four years.

The cost of a Honda motorcycle has now declined \$250-300. When a motorcycle is sold, if something goes wrong with the motorcycle, the company will replace the defective parts free of charge. The customer must pay only for the labor. In the future, the company plans to open sales branches in other provinces. The first branches will be opened in Savannakhet, Champasak, Khammouan, and Luang Prabang provinces. But to date, no branch has been officially opened. However, sales services got underway on the first of last month. As a wholly owned foreign subsidiary, before this plant was officially opened, the company donated building materials and a four-door pickup truck to the Buddhist Organization of Laos.

#### Bank Official Warning on Illegal Credit Activities

92SE0102E Vientiane PASASON in Lao 22 Nov 91 p 3

[“Announcement” signed by Bank of LPDR [Lao People’s Democratic Republic] Deputy Governor Leuan Sombounkhan]

[Text] In view of the fact that the activities of the credit cooperatives in Vientiane City and other places have expanded greatly, which could have adverse effects on the people who have deposited money with these cooperatives and which could adversely affect the country’s monetary and financial situation and create turmoil in society if they go bankrupt:

The national bank, based on the powers given by Law 04/SPS promulgated 23 March 1990, would like to notify cadres, state employees, police officials, servicemen, merchants, hill tribesmen, and others of the following:

1. People should be careful when depositing money with these institutions. They should consider the safety of their money and the protection afforded by the country’s laws. They should not think only about how much interest they can earn, because if an institution goes bankrupt, they may could all their money.
2. Depositors should make sure that the credit cooperatives and other organizations that are mobilizing money from the people have received official permission from the national bank. The organizations concerned must show their permits, which can be issued only by the national bank.
3. According to the law, only banks have the right to mobilize deposits from the people. Credit cooperatives that have been established in accord with the law (they have received official permission from the bank) have the right to mobilize money only from cooperative

members and from "people who support" particular cooperative programs and projects. That is, every credit cooperative must have specific reasons for mobilizing capital or specific projects for which they need to mobilize capital. These reasons must be announced when the cooperative is formed.

Thus, we would like to inform everyone that they should be careful when depositing their money with an institution that has not received an official permit.

Vientiane 14 November 1991 Signed: Leuan Sombounkhan, Deputy Governor of the Bank of LPDR [Lao People's Democratic Republic]

**Davao City Vice-Mayor Announces Support for Ramos**

92SE0142A Davao City *THE MINDANAO DAILY MIRROR* in English 29 Nov 91 pp 1, 14

[Article by Arlene C. Mahinay: "Zuno Comes Out Openly for Ramos"]

[Text] Vice-mayor Dominador Zuno yesterday openly announced his support to presidential Fidel Ramos but denied that his pro-Ramos sentiments has something to do with congressman Prospero Nograles' alleged interest to run for mayorship.

This developed as councilor Bonifacio Militar who is reportedly eyeing the vice-mayorship also expressed his support to Ramos.

Zuno and Militar's allegations seemed to coincide with the speculations that the two are joining hands to fight Nograles and councilor Liborio Lumain as candidates of the Laban ng Demokratikong Pilipino (LDP) for the mayor and vice-mayor positions respectively. Nograles and Lumain are closely identified as supporter of Speaker Ramon Mitra. Earlier, observers believed Zuno was "hurt" with Nograles' plan to run for the mayorship since they have allegedly "informally" agreed that he will run for mayor while Nograles would seek the congressional seat.

This, observers said, triggered Zuno's decision to support Ramos. In an interview, Zuno denied having been affected by Nograles' alleged plan to run for mayor saying each member has the right to run for any position he wants.

Zuno admitted there are factions within the local LDP but added this is brought about mainly by the developments at the national level.

In admitting his support to Ramos, Militar said he was appointed by Ramos as his personal representative to the national electoral affairs committee for the inclusion and exclusion proceedings held in Manila on 22-23 November.

The activity was held to identify the voting delegates for the 30 November LDP provincial conventions to be held simultaneously in the different provinces and cities all over the city, Militar said.

Militar denied any knowledge of a Nograles-Zuno faction within the local LDP saying "I do not have any personal knowledge to the effect that there is such a thing as splitting the interest of the LDP in Davao City."

Zuno also announced that the convention on Saturday will push through as planned with a total of 38 voting delegates.

**COMELEC Chief Sees Violence in '92 Polls**

92SE0142B Davao City *THE MINDANAO DAILY MIRROR* in English 24 Nov 91 pp 1, 17

[Article by Arlene Mahinay: "Comelec Chief Sees Violence in '92 Polls"]

[Text] The Commission on Elections (COMELEC) is anticipating the possible eruption of violence in the coming election because of the presence of political dynasty, the insurgents and the rumor of possible military take over, regional election director Resurreccion Borra bared Friday.

As this developed, Major General Arturo Enrile, commanding officer of the Philippine Army, said in Davao City yesterday that they have already been coordinating with the COMELEC to ensure that the coming polls would be clean and orderly.

Borra said they will have to deputize members of the Philippine National Police (PNP) and the Army to help the COMELEC maintain the peaceful conduct of the election.

However, he said it should be the COMELEC which would direct the PNP what should and should not be done.

Borra criticized the earlier statement of AFP chief of staff Gen. Lisandro Abadia published in the national dailies that the military will take over the government in case of a violent election.

The armed forces, Borr said, should leave it to the COMELEC to determine whether the election is indeed violent or not.

He said the military should not encroach on the tasks of the COMELEC or the civilian authority.

Borra named the Paquibato area, Sta. Cruz in Davao del Sur, some towns of Davao del Norte and Surigao del Sur as possible critical areas in region XI because of the insurgency problem.

Enrile, on the other hand, said they have already instructed their men to be "neutral" in the coming election.

Those found to have engaged in partisan activities during election will "be dealt with drastically," Enrile said.

The Army chief said he believes the PNP and the Army can cope with any eventuality in the coming election.

**NPA Forces Strike Again**

92SE0162A Cotabato City *THE MINDANAO CROSS* in English 11 Jan 92 pp 1, 10

[Article by Allan Nawal and Jun Cabiles: "Reds Strike Anew"]

[Excerpt] Heavily armed men, believed to be members of the communist New People's Army (NPA) struck twice

Tuesday night in Sitios Crasher, Patulangon and Concepcion, Kisante, both of Makilala town. The attacks occurred at around 10:00 and 7:00 respectively.

Police authorities said 27th Infantry Battalion (IB) soldiers captured a wounded rebel left behind by his fleeing companions when the military responded. The military, however, has withheld the identity of the suspected rebel.

The NPA operating in the area had launched four separate attacks during the first eight days of this month.

Earlier, an estimated 100 strong rebel force allegedly headed by Kumander Benzar Sarabia assaulted the Sandique Rubber Processing Plant in Bgy. Malasila, but no casualties were reported. The NPA forces were also reportedly behind the harassment of a 27th IB detachment in Bgy. Flortam, also in Makilala town.

27IB chief Major Robert Bayona, in an interview over station DXND said the attacks are part of a series of test missions for new recruits. He said that during the past few months, Kumander Benzar and his Regional Main

Guerilla Unit (RMGU) of the Far South Command have been recruiting cadres supposedly to bring peace to "hot spot" barangays in Makilala. However, he made the assurance that the military is still in control of the situation amidst a reported "resuscitation" of the Communist Party of the Philippines (CPP) and NPA in Cotabato province.

In a related development, Makilala police authorities declared a "red alert" status in the wake of successive atrocities launched by the NPA rebels. Makilala Philippine National Police (PNP) chief, Lt. Limpi Cayda directed his men to conduct a round-the-clock monitoring of the peace and order condition of the town and urged the residents to be more vigilant as the rebels might mount another assault. Major Bayona also said the military is now conducting operations to flush out the rebels but declined to give details.

Bayona also confirmed there are still a few barangays in Makilala which are considered red area but again maintained that the military still has the upper hand in these barangays. [passage omitted]

## POLITICAL

### Editorial on Khmer Rouge Forced Repatriation

92SE0106D Bangkok THAI RAT in Thai 23 Nov 91 p 3

[Editorial: "Cambodia: Election Principles"]

[Excerpt] [passage omitted] Something that is still of great interest to the people of the world is the fear that the Khmer Rouge will again play an important position in governing Cambodia after the election. The Khmer Rouge is applying force both directly and indirectly to have the Cambodian refugees in the camps along the Thai-Cambodian border repatriated to Khmer Rouge-controlled areas. Their hope is that the general election will give them a majority of the seats in the new Cambodian House of Representatives.

But the people of the world hope for something different. In particular, the superpowers have clearly shown that they do not want the genocidal Khmer Rouge, who murdered more than 1 million Cambodians, to return to power. Thus, they have tried to find a way to prevent the Khmer Rouge from growing stronger. In particular, they want to prevent the Khmer Rouge from repatriating the Cambodian refugees along the Thai border to Khmer Rouge-controlled areas.

At the last cabinet meeting, Thailand could have shown the people of the world what the future may have in store for Cambodia after the election. Unfortunately, because of Thailand's domestic political situation at that time, our important role in Cambodia in 1993 was obscured. That is, Thailand has signed a tripartite memorandum of understanding with the Cambodian Supreme National Council and UN High Commissioner for Refugees on the repatriation of Cambodian refugees and exiles.

This five-article memorandum was written in diplomatic language. But in short, it states that all Cambodians must return to Cambodia. They have the right to choose where they will live in Cambodia. Thailand will guarantee the security of all Cambodians in Thailand and will conduct inspections to ensure that no Cambodian takes weapons back to Cambodia with him. Moreover, no Cambodian will be allowed to carry a weapon in the refugee camp.

This Thai role will prevent the Khmer Rouge from pressuring Cambodian refugees to return to their zones of influence unless the refugees want to go there. Thus, after the election, it's doubtful if the Khmer Rouge will be the largest political group in the House of Representatives or in the new government.

### Foreign Ministry Reacts to Malaysian Expulsion of Diplomat

92SE0131A Bangkok MATICHON in Thai 6, 7 Dec 91

[6 Dec 91 pp 1, 21]

[Excerpts] [passage omitted] A report from the Ministry of Foreign Affairs revealed that recently the government

of Malaysia had been in contact unofficially with the Thai Government to request that it consider recalling Mr. Karun Ruchuyothin, the consul-general in Kota Bharu, Kelantan State, Malaysia. It was claimed that he had interfered in the internal affairs of Malaysia. After receiving the report, Mr. Asa Sarasin, the minister of foreign affairs brought the matter up for discussion at a meeting of department heads in the Ministry of Foreign Affairs on 26 November. There was a resolution to recall Mr. Karun to Thailand urgently to report the facts of the matter to the Thai Ministry of Foreign Affairs. But Mr. Karun has not yet reported back in any way.

A source in the Ministry of Foreign Affairs added that the Thai Government had not yet decided whether to comply with the Malaysian request - it had to wait for Mr. Karun's report inasmuch as the matter involved the internal politics of Malaysia. If Thailand quickly complied with the request, Mr. Karun would become a victim of politics.

"Mr. Karun was very close to the Sultan of Kelantan State and his wife. He was able to use the privileges of his position to bring Thai groups into Malaysia without going through Malaysian immigration or customs. This displeased officials of the central government", the source said. He said another reason was that a general election campaign was underway and the closeness of the Thai consul to the Sultan of Kelantan State might help the party in opposition to the party of the central government inasmuch as the Malaysian central government had difficulties with the sultans of the various states. [passage omitted]

"The Malaysian Government still has not sent an official letter to the Thai Government because the Thai consul-general has not affected security and has not acted as a spy. In any case if the Malaysian government should send an official letter, Mr. Karun would be expelled from the country immediately. But it is not felt that he will be expelled because the Malaysian Government has asked Thailand to consider what would be appropriate and so has depended on a decision of the Thai side. Malaysia will accept the Thai decision", the source said.

[7 Dec 91 pp 1, 19]

[Excerpts] Mr. Asa Sarasin, the minister of foreign affairs, said on 6 December concerning the Malaysian Government request that Mr. Karun Ruchuyothin, the Thai consul-general in Kota Bharu, Kelantan State, Malaysia, be recalled to Thailand that he had received a report from Mr. Karun about the facts of the matter and did not believe that Mr. Karun had interfered in the internal affairs of Malaysia as had been charged. In any case Thailand wanted to maintain good relations with its neighbors and especially with those countries which had common borders with Thailand such as Laos, Burma, Vietnam, Cambodia, and Malaysia. They therefore did not want there to be any impact on relations with these countries. The ministry decided to move Mr. Karun to a

consulate in another country. Mr. Karun had performed his duties in Malaysia for one year and seven months.

Mr. Sakthip Krairuk, the director of the Information Department of the Ministry of Foreign Affairs said that Mr. Karun would continue to act as consul in Kota Bharu until the end of 1991. Then he would be assigned to another country in the same position. The ministry was considering which country it would be. "This reassignment does not assume any wrong-doing on the part of Mr. Karun but gives him more important duties than before".

A correspondent reported that high-placed officials in the Ministry of Foreign Affairs were trying to avoid any retaliation. [passage omitted]

Mr. Wichian Watnakun, an assistant minister of foreign affairs said that it was not a serious problem and in fact in Kelantan State the Sultan of Kelantan State had a close relationship with the Thai side because not only was his wife of Thai ancestry but there were also many Malaysians whose Thai ancestors had emigrated to Malaysia and taken up residence and who were Buddhists. The Thai consul worked very closely with them in performing his duties, but Kelantan State was only one state in Malaysia. It was possible that this was a problem of domestic politics in Malaysia.

"It would be difficult to judge the report that Mr. Karun was playing a role in a domestic election in Malaysia, but the Ministry of Foreign Affairs feels that Mr. Karun performed his assigned duties well and did not become involved in Malaysian politics because he intended well and was concerned about the ethnic Thai in Malaysia".

#### Several Ambassadorial Appointments Announced

92SE0106A Bangkok NAEONA in Thai 23 Oct 91 p 3

[Excerpts] At the cabinet meeting held on 22 October, there was a reshuffle of officials in various units. This was announced by Mrs. Sadawan Songsiwong, the spokesperson attached to the Office of the Prime Minister. [passage omitted]

In the Ministry of Foreign Affairs, Mr. Chawan Chanwanit, the ambassador to Australia, has been appointed ambassador to Denmark. Mr. Rongphet Sucharitkun, the ambassador to Malaysia, has been appointed ambassador to Australia. Mr. Suraphong Posayanon, the ambassador to Burma, has been appointed ambassador to Malaysia. Mr. Wirasak Futrakun, the assistant under-secretary of foreign affairs, has been appointed ambassador to Burma. First Lieutenant Prasat Maensuwan, the deputy director-general of the Protocol Department, has been appointed ambassador to Brunei. Mr. Manop Phaksuwan, the consul general in Osaka, Japan, has been appointed ambassador to Oman.

#### SAP Leader, Suchinda Ally Khasem Profiled

92SE0122A Bangkok LAK THAI in Thai 8-15 Dec 91  
pp 13-16

[Excerpts] Who is Lieutenant General Khasem Kraisan? That is the first question. And the answer is that he is a close friend of General Suchinda Khraprayun, the supreme commander and RTA CINC [Royal Thai Army Commander in Chief].

At Lt. Gen. Khasem's birthday party held on 23 December at his home on Phahonyothin Road near the Lat Phrao branch of Central Department Store, Gen. Suchinda told the 1,500 guests that he and Lt. Gen. Khasem have been friends since they were children. They attended Amnuaisin School together and sat near each other. They used to "cut" classes together and go out together. They have always been close to each other. And the family of Lt. Gen. Khasem is close to Gen. Suchinda, too.

Amidst this large crowd of people, Gen. Suchinda said that he had only learned that day that his friend was the secretary general of the Social Action Party [SAP]. He said that that is excellent news on his birthday.

Gen. Suchinda repeated that he is very close to Lt. Gen. Khasem. He said that they have a very close personal friendship and that they never discuss politics. The only thing he has done is to congratulate his friend on his appointment to the position of secretary general of the Social Action Party.

However, Lt. Gen. Khasem has not told people that he is a very close friend of Gen. Suchinda, or Big Su. This is, however, well known in military circles. It is Gen. Suchinda who has said that he and Lt. Gen. Khasem are very close friends.

Lt. Gen. Khasem, a close friend of Big Su, has become secretary general of the SAP. Major General MR [royal title] Khukrit Pramot, the founder of the party, cares for and supports Gen. Suchinda. He has frequently said that Gen. Suchinda is well qualified to become the next prime minister. And at the 0143 Rally of CRMA [Chulachomklao Royal Military Academy] Class 5 held in Chiang Rai recently, Lieutenant General Loet Phungphak, the class secretary, said that Gen. Suchinda is the "beloved of the old person of Suan Phlu" [MR Khukrit].

On 8 December, when Gen. Suchinda announced that neither he nor Air Chief Marshal Kaset Rotchananin, the RTAF CINC, would seek the position of prime minister and that they would not accept this position under any circumstances, in his "Soi Suan Phlu" column, MR Khukrit expressed great sadness about this.

Lt. Gen. Khasem told LAK THAI that looking at this, the picture is about the same. But actually, Gen. Suchinda is not involved in politics and does not want to become involved in politics. "Gen. Suchinda is not involved in politics. He is not a candidate for MP [member of parliament] and is not trying to become

prime minister. But various things have happened that make it seem as if he will become involved in politics. But I can assure you that he is not involved. The frank statement that he made came from his heart."

As for the fact that "Suan Phlu" supports Gen. Suchinda, with this having an effect on Lt. Gen. Khasem, the question that needs to be answered is: Did Gen. Suchinda engineer things to have his friend, Lt. Gen. Khasem, serve as his representative in the SAP? Because normally, the leader, or secretary general, of a major political party must be an experienced politician. He must be an MP or at least have played a political role in the past. Concerning this, Lt. Gen. Khasem said that this is something that can't be prohibited in politics. But such views don't hurt anything, because politics is a wonderful thing. Engaging in politics is a way of helping the country if this is done properly and if politicians conduct themselves properly.

Lt. Gen. Khasem said that people who aren't aware of the fact that he is well versed in political matters will undoubtedly wonder why a lieutenant general was appointed secretary general of the SAP.

Lt. Gen. Khasem said that he is very interested in politics and that he has long been involved in politics. He has been involved in politics ever since he was a junior officer. In the past, senior military officers openly engaged in political activities. Lt. Gen. Khasem is the son-in-law of General Chit Sunthanon, the former commander of a cavalry division and the former commander of the 1st Army Region.

In the past, he carried on political activities for Field Marshal Thanom Kittikhachon, who founded the Sahaprapha Thai Party. Lt. Gen. Khasem did whatever he could to help, and he was close to Field Marshal Thanom and Field Marshal Praphat Charusathian. Thus, older as well younger MPs are well acquainted with Lt. Gen. Khasem.

More recently, Lt. Gen. Khasem played a role in forming the Union Party. And most recently, he was the activists in the establishment of the Ratsadon Party. Besides this, Lt. Gen. Khasem has associated with many different politicians and has many friends.

Lt. Gen. Khasem told LAK THAI that in the future, the nature of politics will change. It will be different from when he formed and led political parties. Politics will become sharper and stricter. He said that he is ready to play this new type of politics and that he has the ability to lead the SAP forward into the new political system. He is ready to stand shoulder to shoulder with Mr. Montri Phongphanit, the party leader, in turning the SAP around so that it can achieve success as in the past. "It's not that the party is in decline. It's just that politics faces various obstacles in moving forward at this particular time. The party's reputation is still very good. But the SAP is not suited to the political situation in certain periods."

Lt. Gen. Khasem told LAK THAI that he did not become secretary general of the SAP all of a sudden. "It's just that political events were moving very fast then. Decisions had to be made very quickly. But this had been under discussion for a long time."

Lt. Gen. Khasem said that he and Mr. Bunphan Khaewattana, an activist in the SAP and the uncle of Mr. Montri Phongphanit, are very close friends. They have known each other for a long time. He said that he had been urging him to join the SAP for four to five months. This was not a sudden decision. Actually, they had been in contact for a long time, and things were done in stages.

"I can tell you that MR Khukrit was aware of everything that was happening, because people had to keep him informed. He was told who I was and informed about my background. Actually, he and I have known each other for a long time. We have known each other ever since I was a captain and the commander of a cavalry platoon. How we came to know each other is a long story."

Lt. Gen. Khasem said that during the period that he was a captain, he and fellow classmates discussed things and agreed that class parties should be charitable events. The money collected should be used for charitable purposes. They held a ball at Suan Amphon known as the "Khimhan Ramluk." The king and queen were invited to attend. A total of 140,000 baht was donated to charity, which was a large sum at that time.

"Because of the ball attended by the king and queen, I became acquainted with MR Khukrit, because we had to write the invitation. Various people worked on the invitation together. But I was still afraid that the wording was wrong. I was afraid that it would be inappropriate. And so we agreed that MR Khukrit was the person who could tell us if we had worded the invitation correctly. Thus, fellow classmates gave me the task of taking the draft invitation to MR Khukrit at his office at SIAM RAT. I met with him and told him that we planned to hold a ball and to invite the king and queen. He was surprised about the fact that a captain planned to arrange a ball and invite the king and queen but said that he was interested. I took out the draft invitation and asked him to help us with it so that it wouldn't contain any mistakes. He told me to let him see it. I gave it to him, and we set a date for me to come pick it up. When I saw him again, he said that most of it was fine. He had corrected only one part. He also said that he wanted to participate in arranging things for the ball." [passage omitted]

After that, he met MR Khukrit on several other occasions. And MR Khukrit frequently talked about the cavalry captain who had been bold enough to hold a ball and invite the king and queen. [passage omitted]

Lt. Gen. Khasem said that after Gen. Suchinda said that the two of them had been friends ever since they attended Amnuaisin School together, many people have asked about their past friendship. Lt. Gen. Khasem said that "in the past, he was physically small and sat in the

front. He was a good student and had an excellent memory. We have known each other since we were children. We were in the same class. Another friend was 'Tam,' or Major General Santhat Sutthisaranakon, the son of General Sutthisaranakon, the deputy RTA CINC. Another friend of ours was Siri Amaranon, who works for a private company. We were together all the time. We were very close friends. Later on, another person who joined our circle was General Isaraphong, or Tui, the deputy RTA CINC. But he was one year younger than the rest of us. Tui joined our group, because his father, Police Lieutenant General Chat Nunphakdi, was the older brother of Maj. Gen. Santhat's mother. Thus, Tui and Santhat are related. That is when we began associating with each other. We have been friends ever since. He has been both my boss and my friend."

Gen. Suchinda came to the birthday party for Lt. Gen. Khasem on 23 November, but Gen. Isaraphong did not. "Tui knew that I had been appointed secretary general of the SAP and said that because he is the minister of interior, it wouldn't be proper for him to attend the party of the secretary general of a political party. The minister of interior must be neutral. He is in charge of monitoring the election. But he sent someone to give me a present. It's a statute of King Rama 6. Tui said that he has cherished this for many years and that he wanted to give this to a friend who will engage in politics for the good of the country." [passage omitted]

**Ex-Student Leader on 1973, Present; New Party**  
92SE0106C Bangkok NAEON A in Thai 24 Nov 91 p 7

[Interview with Popular Justice Party Coordinator Kriangkamon Laophairot by NAEON NA; place and date not given]

[Excerpts] [NAEON NA] What is your view on the present political situation, particularly the problems involving the Constitution? Have we reached a dead end?

[Kriangkamon] I think we have almost reached a dead end. The people who are stipulating things are the members of the NPKC [National Peace-Keeping Council]. They are the ones who did away with the old law and who have now appointed people to formulate a new law, that is, a Constitution. This new constitution will not be a democratic constitution, and it is not in accord with the desires of the people. If this new constitution is promulgated, it will create major problems. This is why people have voiced opposition to this. Academics, intellectuals, political parties, politicians, the mass media, and people in general have voiced their opinion, but they have stubbornly allowed it to pass for a second reading. If we really do reach a dead end, that will be very worrisome.

[NAEON NA] In your view, what is the best way to get out of this situation?

[Kriangkamon] I think that the decision made by the NPKC will be the most important factor. If the NPKC

was strong enough to seize power and do away with the old Constitution, it should be strong enough to remain on the sidelines now. That would help resolve many of the problems. But if it doesn't, I am very concerned about what the end result will be. I am concerned about how this will affect both the country and the prestige of the members of the NPKC. History has repeated itself many times, and I am not sure how united the military officers are on this issue. I think that if the stalemate continues, the military will become more and more disorganized. That would not be good, and it would not benefit the people. We want a peaceful atmosphere so that we can tackle the economic problems, engage in trade, and invest in things so that the country can move forward.

[NAEON NA] General Suchinda Khraprayun has said that neither he nor Air Chief Marshal Kaset Rotchananin will become the next prime minister and that the NPKC will not remain in power. Don't you think that is enough?

[Kriangkamon] That is one thing. Actually, that is not the most important issue. No one knows who will become the next prime minister. Thus, the fact that people say that they won't become prime minister isn't really very important, and it has nothing to do with principles. The real issue is that the new constitution must give society a chance to advance. As for people announcing that they won't become prime minister, if the present draft constitution is enacted, regardless of who becomes prime minister, he will definitely be an appointed prime minister. [passage omitted]

[NAEON NA] As someone who was involved in the events of 14 October 1973 and 6 October 1976, how would you compare the situation then (14 October) to now? What are the similarities and differences?

[Kriangkamon] I think that the dissatisfaction over the lack of democracy is similar. But something that must be taken into consideration today is the knowledge of the Thai people. They are more knowledgeable and qualified than before. That is, they have a better grasp of things than before. The demonstration at Sanam Luang on 19 November, for example, was not as tumultuous as that of 14 October, but the intentions of the people there were very clear. Their wishes were very clear. This is one of the differences. I am happy about this. I think that this is preferable to the situation on 14 October. [passage omitted]

[NAEON NA] You have discussed matters with Gen. Suchinda. Can you tell us anything about his political views?

[Kriangkamon] It is difficult to understand someone well after talking with that person just once. He treated me with respect, and I treated him with respect. We exchanged opinions and discussed various issues. But I can't really say what kind of person he is or what his views are. But I can draw conclusions based on what the NPKC has done and what he has done as a member of the NPKC.

[NAEO NA] Then how would you evaluate him based on that?

[Kriangkamon] Based on what the NPKC has done and on the draft constitution, I have to say that the purpose of that constitution is to keep the NPKC in power. Or to put it another way, there are fears of being bitten by the tiger after getting off the tiger's back. I don't know whether their intention is to remain in power or whether there is just fear of being bitten by the tiger. But the effect will be the same, that is, the next government following the election will be an NPKC government. [passage omitted]

[NAEO NA] What do you think will happen next? In particular, what do you think the students, intellectuals, and academics will do?

[Kriangkamon] Based on the events of the past few days, I think that intellectuals and academics have applied a fair amount of pressure, and I think that this pressure will increase. I think that intellectuals at the universities will play a greater and greater political role. I think that they will play a greater role than they did during the 14 October period. During that period, students and a few instructors played a leading role. But from now on, a large number of instructors and students will come forward. This is different from before. That is, from now on, large numbers of instructors will come forward and express their political views. I think that that is good, because these people are adults who have knowledge and experience. The people will listen to them.

[NAEO NA] Something that people are asking today is, Will events similar to those of 14 October 1973 happen again this year? What is your view on this?

[Kriangkamon] All I can say is that I hope that a serious clash does not occur. That would be terrible. I hope that that does not happen. The people have never called for violence. It is people in power who have done that. They are the ones who are responsible. Thus, to prevent that from happening again, they should open the way for the people. That is, they should implement a democratic constitution and allow things to proceed in an orderly fashion. Today, the NPKC has no other choice but to "open up" things. By "open up," I mean that it must allow the promulgation of a democratic constitution. There is only one choice. If they do not retreat now, I don't know if there will be enough time left. Although this may not be the final time, we are about at the end.

[NAEO NA] Concerning the Popular Justice Party, what was behind the decision to establish this party?

[Kriangkamon] From the very beginning, there were two opposing views. One faction wanted to establish a party, and the other said that this wasn't the time and that just having a group was enough. A major meeting was held, and both views were presented. But those who favored having only a group said that we could try forming a party. If things don't work out, we can return to being just a group again. They said that we can try having a

work committee, and if it doesn't work, we can have a group again. This work committee studied things and held meetings. It reached the conclusion that there were already many groups and organizations. The Committee for a Democratic Constitution, for example, is involved in political activities. There is the People's Rights and Freedoms Association, and there are many private development organizations. The question was whether any of these people had any special characteristics that would enable them to form a political group or social group. There had to be a good reason for establishing a separate group, because there were already a large number of groups.

Another point is that the people in this group have much experience and they wanted there to be a good political party. And so it was decided to form a political party. We didn't know if we would succeed, but we decided to try. Things have moved very slowly these past three months. During the past three months, we have worked to establish a framework and are now confident that this will be possible. Now that we are sure that we will be able to establish a party, we are working to formulate a platform and various policies. We are putting our reasons for establishing the party in writing and writing party regulations. The various sections have completed their work, and we have decided on a name for the party. After we decided on a name, we designed a symbol for the party. During that period, people didn't know what to call our party. The press referred to us as the "14 October Party." But we never called ourselves that. The symbol that was designed was that of a single tree, and so we jokingly called ourselves the "Tree Party." The symbol shows a sturdy tree. We finished the design last night (21 November) and registered the party today (22 November). The name of our party is the Popular Justice Party, with our symbol being a tree.

Now, we have to find 5,000 members and submit their names to the Department of Local Administration. We have enough time. During the coming election, we do not plan to field any candidates in the election.

#### Charter Drafting Committee Head Profiled

92SE0106B Bangkok LAK THAI in Thai 25 Nov 91-1  
Dec 91 pp 25, 26

[Excerpt] Amidst all the talk about the drafting of Thailand's constitution, it is generally recognized that in addition to the senior people in the National Peace-Keeping Council [NPKC] such as General Suchinda Khraprayun, the supreme commander and RTA CINC [Royal Thai Army Commander in Chief], and Air Chief Marshal Kaset Rotchananin, the RTAF [Royal Thai Air Force] CINC, both of whom serve as deputy chairman of the NPKC and both of whom are playing at least an indirect role in drafting the constitution, another person who is playing a prominent role in drafting the constitution is Mr. Osot Kosin, the chairman of the Constitution Drafting Subcommittee.

Mr. Osot, whom no one who loves democracy will ever forget, was born on 25 August 1913. He is now 78 years old. He completed upper secondary school at Thepsirin School. His father wanted him to become a doctor so much that he had named him "Osot" [medicine], but Mr. Osot wanted to study law. And so he went to law school and earned his law degree in 1931.

In 1936, Mr. Osot went to England to continue his studies and obtained a law degree from the Lincons Inn Institute several years later. After returning to Thailand, he went to work for the Ministry of Justice and constantly moved up in his career. After just seven years, he became a judge and worked in various provinces for a long time.

After serving as a judge for a long time, Mr. Osot came to a turning point in his life and decided to go to work at the Ministry of Commerce. But shortly after that, he decided to resign from government service. That is, in 1946 he left government service and went to work for himself.

Mr. Osot became involved in several business activities. For example, he established an attorney's office, set up a distillery, established an insurance company, and became involved in land development. Because he had many friends and acquaintances in political circles, even though he did not become directly involved in politics himself, he was close to powerful people in the country in various administrations and was appointed to various positions and assigned important jobs.

In 1972, Mr. Osot was appointed adviser to the prime minister. That was when Field Marshal Thanom Kittikhachon was prime minister. That same year, he was also made deputy minister of commerce. In 1973, Mr. Osot was appointed deputy minister of industry.

As for his political life, Mr. Osot has always been appointed to political positions. That is, he was appointed to the Senate for the first time in 1969. In 1977 he was appointed to the National Legislative Assembly. He has served as a senator ever since then, and today he is again serving as a member of the National Legislative Assembly.

In today's National Legislative Assembly, Mr. Osot has again been assigned important work. He was appointed to the Constitution Drafting Subcommittee. And when the subcommittee met to fill various positions, Mr. Osot was appointed chairman of this subcommittee.

It is generally agreed that Mr. Osot is a legal scholar, and he commands broad respect just like Mr. Bunchana Athakon, Mr. Somphop Hotrakit, and Mr. Sanon Saisawang. Besides this, among former MPs [members of parliament], it is generally thought that Mr. Osot tends to do things in ways that conflict with democratic desires, particularly regarding past requests to revise the Constitution. [passage omitted]

## MILITARY

### Weapons, Cost Details of PRC-Built Frigates

92SE0120B Bangkok *LAK THAI* in Thai 18-24 Nov 91  
pp 2, 3

[Text] Warships designed to carry on independent operations or to carry on joint operations with attack forces, antisubmarine warfare forces, or amphibious forces in order to counter threats posed by submarines, aircraft, and surface ships are usually equipped with 3- and 5-inch dual purpose guns and various other modern antisubmarine weapons. These ships are called "frigates."

In the past, the Navy had several well-known frigates. These were the Prasae and the Tha Chin. Today, there are the Makutratchakuman, the Ratnakosin, the Pin Kiao, and the Sukhothai. Also, four Chaophraya-class frigates have been purchased from China. To date, China has sent two of these frigates, the Chaophraya, which was commissioned on 5 April 1991, and the Bang Pakong, which was commissioned on 20 July 1991. Neither of these two ships has a helicopter landing pad. The other two ships in this group, the Kraburi, which is supposed to be delivered in January 1992, and the Saiburi, which is supposed to be delivered in August 1992, both have helicopter landing pads.

*LAK THAI* has already published the details about the Chaophraya-class frigates.

On the 85th anniversary of the Navy, there is a matter that needs to be reported. This is something that has never been disclosed before. This concerns the purchase of another two Chinese-built frigates similar to the Chaophraya-class frigates. These frigates have been named the Naresuan and the Taksin.

The designs for the Naresuan and the Taksin have already been completed, and the steel plates for the hulls are being built at the Cho Hua shipyard. The Naresuan and the Taksin are scheduled to be delivered in July 1993 and July 1994 respectively.

The reason for purchasing the Chaophraya- and Naresuan-class frigates is that the Navy does not have enough frigates necessary for the various Naval activities mentioned above. Thus, the Navy has had to quickly procure additional large frigates in addition to the four 053 HT and 053 Ht (H) type frigates already purchased from China. Because most of the Navy's frigates and corvettes are old ships with outdated weapons, even though some of these ships have been upgraded, their capabilities are still limited. And even though some of the ships have modern weapons systems, the ships are too small to operate far out at sea. This is a limitation in carrying on coastal operations based on estimated needs. It will be some time yet before the Navy has the capability to build its own large ships or frigates. If something happened during that period, the Navy would not have enough frigates. Thus, the Navy has considered the feasibility of purchasing additional frigates and feels that this is

possible if it hires China to build more frigates similar to those already ordered. But the Navy needs larger frigates with a hull designed to make the ship less visible to radar, with a more modern weapons system, and with helicopters and a helicopter hangar. Such ships are needed in order to increase operations capabilities far out at sea, because the first four frigates built by China do not have such capabilities. This will increase confidence in carrying on important operations. Thus, a committee has been established to procure a second group of ships. This committee is responsible for drafting a contract or agreement on the construction of frigates so that things are done in accord with the wishes of the chief of staff. It is also responsible for monitoring construction—with the focus being on the weapons systems, the engine, the electrical equipment, the hull characteristics, the various pieces of equipment concerned, and the logistics support system—to ensure that things are done in accord with modern shipbuilding principles.

The Navy's budgetary situation for the period 1990-1993 is not favorable for procuring additional frigates. This is because the Navy has purchased a large number of weapons systems and much equipment to develop the Navy. Most of these items were purchased by taking loans against future budget funds. Thus, it will be necessary to revise some of the development programs so that the Navy can purchase additional frigates. The procurement committee has decided to let China build the ships, for the same reason that the contract for the first four ships was awarded to China. That is, this has to do with the good relations between Thailand and China both now and in the future. Moreover, China's shipbuilding technology is equal to that of European countries and the United States. But China's prices are much lower. Besides this, an agreement to build the ships can be reached on a government-to-government basis, which makes it possible to eliminate problems concerning company agents in the country. And in terms of service after the ships are delivered, this is better than if we deal with private companies.

As for the weapons systems, electronics equipment, and other necessary equipment, the Navy is considering purchasing most of these things from the United States. The Navy feels that because it is investing a huge sum of money to build large ships, it wants its ships to have excellent capabilities. American weapons are excellent weapons with a good reputation. The United States has long invested in research and development, and it has spent much money on this. As for international politics, the United States is an ally of Thailand and has always helped Thailand. In providing after sales service, there have never been any problems concerning parts. Parts are easy to obtain, and they will be available for a long time, because the United States still uses the weapons that we plan to buy. Something else that is very important is that the United States can provide technological help and train our Naval personnel who will use and repair the equipment. The Navy will buy various

weapons systems and install them in Thailand later on. However, in order to save money, the Navy will have to use some Chinese weapons systems and electronics equipment. The various systems include the following:

An LM 2500 gas turbine engine and 750 MTU diesel engine.

MK 45, MOD 2 127-mm guns made in the United States.

A fire control system for the 127-mm guns.

A U.S.-made BLOC 1 C Harpoon antiship guided missile system.

A U.S.-made VLS MK 41 "Chesebrerow" surface-to-air guided missile system having eight launching tubes. Each ship will be equipped with one system.

A fire control system for the VLS MK 41 system.

Two MK 32, MOD 5, TRIPLE type torpedo tubes per ship together with an MK 309 control and MK 46 MOD 5 torpedoes of the United States.

37-mm guns and a 347 G radar control system of China.

A Chinese-made ZKJ-3 T combat support system, which can be used in conjunction with American weapons systems.

A Chinese-made SJD-7 sonar system, which is an improved version of the SJD-5 system that was installed aboard the Chaophraya-class frigates.

A air and surface radar search system.

A Chinese-made 945 GPI DECOY system with two systems per ship.

Ship-based helicopters.

Concerning this, the Navy has tried to inform superior units about the need to obtain additional ships and has asked for help in procuring another two frigates. The Navy has revised its naval development program by postponing some projects of lower priority and using the money that had been earmarked for those projects to buy these ships. After considering this matter carefully, it was decided to submit the matter for approval and order two frigates from China. These ships will have a displacement of more than 2,500 tons. This purchase will be made on a government-to-government basis. The cabinet approved the Navy's proposal on 19 September 1989.

#### **Khmer Rouge, Army Weapons Trafficking**

92SE0091A Bangkok SIAM RAT SAPDA WICHAN  
in Thai 3-9 Nov 91 p 11

[Excerpts] [passage omitted] The trafficking route of Army weapons from Arkas, M16s, and RPGs, to all kinds of bullets originated at the Khmer Rouge Camp around Tangog Hill, Phnom Malay. The Khmer sell a

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few at a time to villagers in the area, who in turn, resell them to major traffickers who can travel easily throughout the area. Those weapons are stored at certain sites, for example, tapioca plantations, sugar-cane plantations, or they can be buried in rice fields. Symbols or signs would pinpoint the 'hidden' area, for fast and unerring pickups.

The practice of burying weapons in sacks of fertilizer or sacks of rice for transportation is carried out at night. Trafficking trucks used will differ from province to province. For example, a truck with a Prachinburi license plate will be used only for trafficking in the Prachinburi area. When entering Nakorn Nayok Province, the license plate would then be changed accordingly. Lopburi is a rest area for these trafficking trucks.

"Sometimes even the soldiers from Pa-Hway Military Camp, Lopburi, show up to welcome them," said one of the sources. However, officials have not been able to pinpoint where exactly in Lopburi the truckstop is. Nor have they been able to determine if anybody in uniform have been involved in this operation.

The major clients for all the weapons are the minority Karen along the Thai-Burmese border.

One trafficking route was revealed by Police Lieutenant Colonel Phayab Thongchuin, chief investigator, Wangnamyen Police Station, Prachinburi. Wangnamyen District is an important passageway for Army weapons trafficking from the areas around the border because the district has a newly-built road that provides a convenient and fast way to Sanamchaikhet District, Phanomsarakhram. There is also an old road to Kabinburi.

Another route is from Wangnamyen, through Pongnamron District, through Khao Soydao, to Thamai District, or Lamsing District in Chantaburi Province, from there by fishing boat to Phetburi or Ranong, then to Victoria Point Island. Finally, the weapons will be delivered to the Karen.

It will take years to investigate and do surveillance on those "big cheese army weapons traffickers", before one could be arrested. There happens to be about four or five important traffickers residing in Chantaburi, Kabinburi, or Wangnamyen.

"There were regular deposits in the amount of no less than 200,000 baht into those persons' accounts. The depositors would make transfers from accounts in a bank in Tak Province."

The weapons trafficking along the border has been going on in earnest for at least one year. The cost in investment has been exorbitant. Even if it is risky business, it can generate almost ten times of the cost in profit. To pass through each customs checkpoint causes no major problem because the traffickers are from the area and are quite well-acquainted with the customs officers. Trafficking is also done with a few items at a time, therefore, it arouses little suspicion.

In the meantime, most of those who have gone into Cambodia to buy weapons have previously dealt with the country in some way, be it logging, buying logs from the Khmer Rouge, or trading with Khmer Heng Samrin. [passage omitted]

The Khmer Rouge show an inclination to stick around along the Thai border and might be making their living permanently there. Each Khmer Rouge will be deeded a 6-rai piece of land. [passage omitted]

### Suchinda Pays Homage to Spirits 24 Nov

92SE0103B Bangkok NAEONA in Thai 25 Nov 91  
pp 1, 14

[Excerpt] [passage omitted] A NAEON A reporter in Nakhon Sithammarat Province reported that at 1000 hours on 24 November at the city shrine in Nakhon Sithammarat City, General Suchinda Khraprayun, the supreme commander, RTA CINC [Royal Thai Army Commander in Chief], and deputy chairman of the National Peace-Keeping Council, quietly flew to the city in order to pay homage at this shrine. He was welcomed by Lieutenant General Kitti Rattanachaya, the 4th Army Region commander, Police Lt. Gen. Thiraphon Intharawicha, the commissioner of the Police Provincial 4, and Mr. Sirichai Bulakun, a former senator.

When Gen. Suchinda arrived at the shrine, he sprinkled some holy water in order to get rid of bad luck and sought to eliminate hatefulness by lighting 10,000 firecrackers. As the firecrackers were going off at the shrine, the sky suddenly turned black and it began to rain. The people of Nakhon Sithammarat all commented on this.

Construction on this city shrine began during the time that Police Major General Sanphet Thammathikun, the assistant commissioner of the Police Provincial 4, was the police superintendent in Nakhon Sithammarat Province. It was Khunphan Rakratchadet, who is very knowledgeable about the magic arts, who said the incantation, which turned this shrine into a holy site for the people of Nakhon Sithammarat. Gen. Suchinda came here to pray before he became the RTA CINC, with the result that he later got his wish and became the RTA CINC. [passage omitted]

### Air Force Commander's Top Aide Profiled

92SE0103A Bangkok KHAO PHISSET in Thai  
2-8 Dec 91 p 31

[Article by Uaiphon Taechutrakun: "Thirachai Wutitham, the (Civilian) Aide to Big Te"]

[Text] People on the outside tend to think that this man has a direct line to Don Muang headquarters. Thirachai Wutitham, who is a member of the National Legislative Assembly and whom writers often refer to as a "link to Big Te," first became openly involved in politics following the events of 23 February. KHAO PHISSET met with Big Pae, who has a mustache, at a restaurant one

evening in order to discuss various issues. When we met with him, the political atmosphere was filled with tension concerning the issue of the Constitution.

"I am not an ambitious person," said Thirachai. In explanation, he said: "That's because I am not greedy. I have never bothered anyone. That includes my becoming a member of the National Legislative Assembly. Big Te wanted me to become a member. But I guard things. I have been effective. I always do my homework." For this reason, he is present almost every time the National Legislative Assembly holds a meeting. As a result, he is known as a diligent member of the assembly. In revising this proposal, he proposed changing 16 articles, which includes the election method.

Talking about the long relationship between Big Te and Big Pae, it must be said that this relationship has existed ever since the crisis at Don Muang, with the result that Big Te was transferred to Supreme Command. Thirachai said that "I have known Big Te for several years. He is a very kindhearted person. He has never abandoned a subordinate. He is very frank and never hides anything." This is how Thirachai feels about Big Te after knowing him for several years. He is called the "civilian aide to the RTAF CINC [Royal Thai Air Force Commander in Chief]." He also serves as an adviser to the head of the Airport Authority of Thailand. He also holds many other "advisory" positions.

Besides being an important businessman, he also serves as an air force coordinator, or "whip." He is one of the more than 10 civilian whips of Big Te. But that does not bother him. Those who know Thirachai all say that that is because he has many friends. He has said that if you want to get into politics, you have to have many friends with whom you can exchange opinions. In his case, his "friends" are not limited to a particular branch or profession but are at all levels, including millionaires.

He is now a member of "BRO" Class 4. Fellow classmates include senior military officers attending the National Defense College, Class 34. These include Lieutenant General Chainarong Nunphakdi, the commander of the 1st Army Corps, Lt. Gen. Mongkhon Amphonphisit, the director of operations, and Air Marshal Wiraphong Singseni, the assistant air force chief of staff for operations. These are all classmates of "W.P.R.O. 30." This is something of which he is very proud. "I consider this to be a great honor. These are national leaders." Looking at the background of this man from Phetburi, the steps that he took gave a clear indication of his future. He was a poor temple boy who finally managed to attend Amnuaisin School as a member of the "Lom Wao" class. He then went to the United States, where he earned his bachelor's and master's degrees. He frequently says that "my life started from zero." He is now very far from "zero."

"My ultimate political goal is to become a minister." This is what Thirachai is aiming at. But if you ask him if he will run for election, his answer is that even if a person

is elected, will that make him a good minister? Are there any guarantees that winning election will bring success or that failing to win election will mean that you are a failure? These questions indicate that he is not sure if he will have to run for election. But he frankly admits that "my financial position is not strong."

"I want people to know that I want to climb higher." In a confident tone, he said that "I want to serve the people. I want to serve my country. If I have enough money, I will announce that I will not accept a salary in order to set an example." But so far, there isn't anyone to serve as a model for him. In short, he doesn't have any heroes.

"I don't have any burning ambitions. But if I do obtain that position, I won't be controlled by anyone. The common rules are the most important," he said in talking about the future. He is very confident about his political future. During the Round 2 deliberations on the Constitution, he said that he could not agree to unacceptable principles. "But I am not dogmatic. Big Te understands me. But people shouldn't use mobs to make threats. I simply won't vote for something that I don't believe in. People shouldn't try to bargain with me using such methods." During our conversation, his manner always expressed great confidence. After he takes his first political step, people will probably come to know this 41 year old man named Thirachai Wutitham.

#### Navy CINC Discusses Modernization, Organization

92SE0120A Bangkok LAK THAI in Thai 18-24 Nov 91  
pp 15, 16

[Excerpts] This Naval officer is not responsible just for protecting 1,500 miles of coastline. He is responsible for protecting our territorial waters off the continental shelf. This zone is a very important economic zone and is no less important than our land areas. Because besides being our sovereign territory, the sea here contains important national resources.

On the occasion of the 85th Navy Day on 20 November, Admiral Wichet Karunyawanit, the RTN CINC [Royal Thai Navy Commander in Chief], talked with LAK THAI about various matters concerning the Royal Thai Navy. He did not discuss politics at all. Instead, he focused on the navy's mission in serving the nation.

Admiral Wichet Karunyawanit talked about the preparations being made by the Navy. Naval warfare today is very modern warfare. Opposing ships do not see each other. Technology and electronics are very important factors. Our Navy is prepared with respect to this. The Navy even has an Electronics Directorate.

The RTN CINC said that two of the frigates ordered from China have already been deployed here. Those are the Chaophaya and Bang Pakong frigates. The frigates yet to be delivered are the Kraburi and Saiburi. We have also ordered two Naresuan-class frigates from China, the Naresuan and the Tak. [passage omitted]

The RTN CINC told LAK THAI that the Navy will soon make major changes in its combat force plan. This plan is being revised to enable our naval forces to defend our territorial waters and coastline more efficiently.

Admiral Wichet said that the Navy will divide the operations fleet into three "regional fleets." The 1st Region Fleet will be responsible for the Gulf of Thailand and the eastern seaboard from Koh Kai at the mouth of the gulf to Koh Kong on the border with Cambodia. The 1st Region Fleet will be responsible for the entire eastern seaboard area. The 2d Region Fleet will be responsible for the western side of the Gulf of Thailand, extending all the way to the border with Malaysia. The 3d Region Fleet will be responsible for our western coastline in the Andaman Sea.

These three fleets will still be subordinate to the Operations Fleet, which will have to divide its forces among the three regional fleets. Initially, there probably won't be enough warships to carry out the mission. But the first thing is to divide the duties and the warships. We will also have to procure additional warships so that we have the necessary number of ships.

Admiral Wichet addressed the question of why we need more combat forces and why we have to buy additional weapons at a time when arms reduction is taking place throughout the world. He said that there is a misunderstanding about this. Thailand is not in a position to reduce its Armed Forces, because our Armed Forces are now "insufficient." Because we don't have sufficient forces, how can people talk about reducing the size of our forces? If we reduce the size of our forces, that would be tantamount to disregarding the strategic picture and focusing only on the present situation, which could change at any time.

The RTN CINC said that now that the focus is on economic policy, countries are competing at sea. Because today, the oceans hold very important resources of the world, including fish, natural gas, and oil. Competition for ocean resources is increasing daily.

Admiral Wichet said that the Navy is now providing protection for the dozens of oil and gas exploration and drilling rigs in the Gulf of Thailand. Also, naval ships and aircraft are conducting patrols along the natural gas pipeline from the production sites to Maptaphut to see if any ships are lingering in the area or if the anchor of any ship has caught and damaged any of the natural gas pipes. These natural gas pipelines, which send natural gas from the sea to the coast, are the second longest in the world.

The RTN CINC said that even with the Chaophaya and Naresuan class frigates that have been purchased from China, we do not have sufficient frigates to build complete regional fleets.

"We need 20 frigates. The present number is insufficient. We will have to continue buying more ships until we have the targeted number of ships."

The RTN CINC said that England conducted surveys and formulated our defense force plan for defending the eastern seaboard, or eastern seaboard development zone. But insufficient forces have been provided. "We still have a serious shortage. For example, the Air and Coastal Defense Command, which is the main unit in the plan, does not have sufficient AAA guns. The unit has not been fully staffed or equipped in accord with the targets. There are still serious shortages."

The eastern seaboard development zone is worth billions of baht, and potential profits are huge. LAK THAI asked the RTN CINC, In view of this, is enough money being spent on the defense system in accord with international standards?

The RTN CINC said that the amount of money spent on the defense of this zone does not amount to even 1 percent of the value of that zone. It is only a tiny fraction of 1 percent.

LAK THAI asked about the stalled helicopter carrier program. The RTN CINC said that the government approved this program. A contract was signed with a German company to build this ship, and it was estimated that it would cost 5 billion baht to build this ship. But after the political changes in Germany in the wake of the reunification of the country, military policy there changed. Thus, the company has not been able to obtain a permit from the German government guaranteeing that once the ship is built, it will be able to sell it to Thailand. In view of this, the contract has been canceled. Thai naval attaches in various countries that build ships have contacted government officials in those countries and talked with them about this.

As for budget funds to purchase a helicopter carrier, the RTN CINC said that there aren't any problems, because the funds have already been authorized.

As for the Naval Air Command's plan to purchase jet fighter aircraft, the RTN CINC said that these jet aircraft are part of naval operations. Now that the Navy is modernizing, its aircraft must evolve, too. Aircraft are part of naval warfare. They are used to protect the fleet and to attack submarines and surface ships using missiles. The plan calls for purchasing aircraft that can provide close-range support for ships. This is unlike the Air Force, whose mission is to intercept enemy aircraft.

"The Navy has pilots who have attended the Air Force Flying School. These pilots know how to fly aircraft in coordination with naval forces, because they are familiar with both aircraft and ships. They know how to defend ships and what they have to do when using anti-submarine weapons. [passage omitted]

**Military, Police Involved in Passport Fraud Ring**  
92SE0091B Bangkok DAILY NEWS in Thai 16 Nov 91  
pp 1, 13

[Excerpt] [passage omitted] The exposure of a soldier turned crook came to light on November 13, when Police

Major Wichian Neukdai, an inspector at the Phyathai Police Station, was informed by officials of the Ministry of Foreign Affairs (Si Ayuthya Road Office) that a woman disguised as a 2nd lieutenant had applied for a passport. Police Major Wichian Neukdai picked her up for questioning and learned that she was Miss Nipha Sunthonsong, 20. She implicated 1st Lieutenant Nophadon Khemsiri, 27, an officer with the Regiment of Territorial Defense, who resides at 13-3 Group 1 Sanambin Nam Road, Bangraso subdistrict, Muang District, Nonthaburi Province. He masterminded the idea for her applying for a passport.

Later at 0900, November 15, Police Major Wichian Neukdai arrested 1st Lieutenant Nophadon at home while he was sleeping with his young wife, Mrs. Nanthana Wasutheparak, 24. The house-search uncovered six counterfeit women's passports and a forged signature stamp of General Suchinda Khraprayun, supreme-commander and commander in chief of the Royal Thai Army. First Lieutenant Nophadon and Mrs. Nanthana were brought with all the evidence, for questioning at Phyathai Police Station.

Under interrogation, 1st Lieutenant Nophadon Khemsiri confessed that he had done this on several occasions. He would hire a woman to dress up as an officer for the purpose of applying for a passport at the Ministry of Foreign Affairs. Upon obtaining same, the photograph changed to that of a woman who wanted to work in Japan. Then a visa would be applied for. The payment for each woman travelling to Japan would be 600,000 baht. The Yakuza Gang in Japan paid this fee, which would be taken out of the woman's earnings from prostitution in Japan. Each time 1st Lieutenant Nophadon arranged for a woman to dress up as an officer in the Armed Forces in order to apply for a passport, he would forge an accompanying letter from the Royal Thai Army, complete with the forged signature of General Suchinda Khraprayun, to facilitate the passport issuance. He would also accompany each applicant

himself. When Miss Nipha was arrested, he slipped away before the police reported him to the Army, pursuant to the agreement between the Ministry of Defense and the Ministry of Interior.

At the police department at 1530, November 15, Police General Mana Khrutchaiyan, deputy director general of the police department, Police Major General Yothin Mathyomnan, commander of the Special Branch Division and Police Colonel Khamnung Phasiphon, chief of Division, gave the following joint statement. On November 14, the police found out that there was a gang of illegal Chinese aliens operating an agency that sent women overseas for jobs. They provided forged passports and visas. Thus a search was conducted at Room 316, Ranee House, Charoenkrung Road (Soi 80), Yannawa. A mainland-Chinese man named Chang U Ching, 42, was the owner of the 'Namchai Group,' which was disguised as a travel agency.

Evidence from the search included forged documents like passports, visas, marriage licenses, business licenses, and so on. Noteworthy were forged visas with photographs of about 400 victims, mostly Chinese women. There was also a photograph of Mr. Chang taken with Prime Minister Anan Panyarachun. Mr. Chang was then arrested and all the documents were confiscated as evidence for prosecution.

Police General Mana said that the arrest was brought about by information concerning illegal aliens in Thailand who conspired with some immigration police officers known as the 'crooked inspectors.' The commander of the Special Branch Division was then ordered to investigate it until major culprits were arrested. The suspects confessed to operating an agency to channel Chinese via Thailand to third countries like Yugoslavia, Canada, and the United States. Most of these people would slip in through Mae Sai District, Chiang Rai Province. Each would pay 150,000 baht. Whether a police officer was involved is still under investigation by the commander of the Special Branch Division.

**MILITARY****Military Production, Economic Work Reviewed**  
922E0084A Hanoi QUAN DOI NHAN DAN THU BAY  
in Vietnamese 14 Dec 91 p 2

[Interview with Major General Mai Van Phuc, deputy commander, Military Region 7, by Tran The Tuyen: "Interview: Military Region 7 Combines National Defense and Economics"; place and date not given]

[Text] Military Region 7 has just organized a conference to draw experience from its production and economic work. A QUAN DOI NHAN DAN reporter interviews Major General Mai Van Phuc, deputy commander of Military Region 7, on this topic.

[Tran The Tuyen] Following the reunification of the country (30 April 1975), Military Region 7 had a plan for doing economic work and combining it with national defense. In spite of a great deal of effort on its part, the region's economic and national defense achievements in the past years remained few. Why?

[Major General Mai Van Phuc] We ourselves made an evaluation of the results obtained from our economic and national defense work and recognized that they were limited, in spite of the fact that the achievements made in our doing economic work and combining it with national defense were not negligible at all.

The sources of income in the economic field still were not proportionate to the military region's potential and strong posture. Thousands of hectares of military land remained uncultivated; hundreds of motorized vehicles and boats, tens of shops and stations with thousands of technical cadres and civil servants specialized in various occupations, and hundreds of thousands of square meters of storehouses, housing, and yards were either not yet fully used or used with poor efficiency. The fact that the fertile eastern part of Nam Bo is very suitable for growing industrial crops and that Ho Chi Minh City is our country's major center of economic, cultural, scientific, and technological exchanges—both geographical strengths being within our military region—has not yet been exploited to our advantage.

In 1991, the total income from the three forms of economic work determined by the profit-and-loss accounting method was about 12 billion dong. Had we organized it better, the figure could have reached a much higher level.

In the national defense field, for a number of important strategic areas that were considered significant in terms of defense, investment remained inappropriate; as to other areas, because of poorly organized production management, we allowed losses of national defense properties or unpaid debts and violations of the law to take place and to adversely affect the Army's traditional character. There were many reasons behind this situation. An objective one was the fact that the market

economy was undergoing complicated changes in recent years and that we remained confused. Machinery and equipment were too old and unsuitable for modern industrial standards. Capital investment received from the superior echelons was negligible; the mechanism adopted by the Ministry of National Defense for the Army to do economic work was not carried out uniformly. As to subjective reasons, the task of setting direction sometimes was incorrectly carried out in some localities, with improper attention being paid to the national defense needs and investment being focused on breadth rather than on depth. In management undertaken by the state, as well as in management of production and business, we lacked a clear-cut division of managerial authority among echelons, with both strict and loose managerial styles taking place.

[Tran The Tuyen] The military region's economic work, in spite of what you have just said, already created a considerable source of material base and spending. Please let us know how this resource has been used to enhance the combat power of the military region's Armed Forces.

[Major General Mai Van Phuc] In just the last five years, the military region spent nearly 5 billion dong for the construction and repairs of barracks and 2 billion to buy vehicles and machines used in combat-readiness and policy work. Some units that did a good job included the military unit of Chau Thanh District (Tay Ninh Province), which used capital from production to build more than 700 square meters of housing and offices; the military unit of Ben Cat District (Song Be Province), which in addition to building and repairing housing was able to buy trucks and plowing machines; the shipyard run by the Technical Department, which remodeled all buildings and shops and purchased additional equipment, and so on.

As to the standard of living, in 1991 the military region spent 85 million dong to upgrade military equipment for its officers working in the command office and local military block. Every year the local (provincial and district) military organs provided troops with one or two new uniforms. Many localities raised the pay of salaried people and the allowances given to noncommissioned officers and soldiers.

[Tran The Tuyen] To combine economics with national defense, and vice versa, is a principle in our Army's process of doing economic work. How did Military Region 7 understand this view?

[Major General Mai Van Phuc] All Military Region 7's party committee echelons and commanders unanimously believed that the Army must provide productive labor and do economic work and that if it properly learns and acquires experience, it certainly will be able to do the work and to do it effectively. To do economic work must first of all aim at raising the level of combat readiness, improving the living standard of troops, and then contributing to implementing the socioeconomic policy that

the party has set forth. While doing economic work, our troops must obey the law and Army discipline, and uphold the "Uncle Ho's troops" character.

In the near future, we will assume leadership and encourage the development of all three forms while fulfilling the need for strong, steady, correct, legal, and highly effective development; keen vigilance; and good combat readiness.

[Tran The Tuyen] Thank you, General.

## ECONOMIC

### Phan Van Khai on Measures To Fight Inflation

922E0077A Ho Chi Minh City TUOI TRE CHU  
NHAT in Vietnamese 29 Dec 91 pp 1, 2

[Interview of Phan Van Khai, first deputy chairman of the Council of Ministers, by Huy Duc: "Fight Inflation by Making the Economy More Efficient"; place and date not given]

[Text] In an interview with a TUOI TRE reporter just after assuming office, Phan Van Khai, first deputy chairman of the Council of Ministers, said the immediate task (at that time) of the Council of Ministers was to study ways to roll back inflation. As a result, during the 10th session of the eighth National Assembly the Council of Ministers presented a detailed report on the measures to fight inflation but was regarded by the National Assembly as having been prepared meticulously. He granted TUOI TRE an interview in order to discuss that topic further.

[Huy Duc] Comrade, at the beginning of 1991, when our economy was in a situation of crisis and inflation, and we had lost more than 1 billion in aid from the Soviet Union, many people, including financial specialists, reached a conclusion they regarded as a certainty: Vietnam's economy will collapse! That did not prove to be the case. Were we lucky?

[Phan Van Khai] Not only were we not lucky, but in addition to those difficulties, the situation in 1991 was made even more complicated by natural disasters, which caused damage in all three regions, and the excessively rapid collapse of the Soviet Union upset one of our major export-import markets. The predictions from the outside were not without basis. But our government assessed the situation and immediately took steps to prevent Vietnam's economy from collapsing and to enable it to stand firm. Agricultural and grain production were stabilized. For Vietnam, having ample grain supplies is a very important factor. Vietnam also rapidly shifted its export market to Sector 2 and balanced exports and imports. In 1991 direct investment by foreign countries also increased.

In sum, that was a result of the renovation line, the continuation of which in 1991 better developed the

potential of the economic components, strengthened the initiative of the enterprises, and attracted additional resources from the outside.

However, don't forget that the economy still has imbalances, which are in some respects more serious, especially the financial and monetary imbalances.

[Huy Duc] The steps taken to maintain the stability of an economy with such difficulties in 1991 were complex. Could it be that they were only effective temporarily?

[Phan Van Khai] The transformations achieved in 1991 were not temporary but will be developed more strongly in 1992. As for the measures, of course they must change in accordance with the actual situation, but will change in accordance with a more thorough, more complete renovation. Many steps that were taken in 1991, especially regarding the mechanism and the policies, were also intended to prepare for 1992, including a whole series of problems but are being dealt with, such as resolving the problem of long-standing debts of the enterprises; perfecting the mechanism for preserving and developing the state's capital; gradually eliminating subsidies by means of credit; promulgating new regulations regarding the management of foreign exchange; holding down the prices of gold and the dollar; stepping up the fight against black marketing; deciding to dispose of the installations that no longer maintain the state ownership form and have chronic deficits; developing the role of the cooperative members' family economy; and supplementing the policies to develop the individual private economy.

[Huy Duc] During the ninth session of the National Assembly, you brought up the fact that our exports amounted to 1.8 billion dollars but the state managed only a few hundred million dollars worth. Is that not also a reason for promulgating regulations regarding the management of foreign exchange?

[Phan Van Khai] The principal goal of the new regulations regarding the management of foreign exchange is to use the foreign exchange that is earned more effectively, in accordance with the principle of protecting the legitimate interests of people with foreign exchange, accompanied by the restoration of order in the foreign exchange market. The businesses with foreign exchange must deposit it in banks in Vietnam. They will earn interest and may withdraw the money to use in accordance with state stipulations (such as for paying debts, contributing capital to joint ventures with foreign countries, importing by quotas, etc.). The businesses are allowed to buy and sell foreign exchange with the bank or at the foreign currency exchange centers, at exchange rates set at those centers.

[Huy Duc] In view of the system of expanding the autonomy of the production-commercial units, in promulgating tighter management regulations has the government taken into consideration the reaction of the basic units?

[Phan Van Khai] The decision of the Council of Ministers was based on the national interest. Furthermore, the new regulations regarding the management of foreign exchange do not conflict with the legitimate interests and commercial autonomy of the businesses, but only stop importing that is contrary to policies and oppose speculation, black marketing, and the wasteful use of foreign exchange. Therefore, by means of an opinion poll many installations and localities, especially in Ho Chi Minh City, have expressed strong support for that policy.

It must be added that we do not limit ourselves to managing foreign exchange according to those regulations, but must positively create conditions to apply the mechanism of the banks buying and selling all foreign exchange in a commercial mode. Those efforts will result in creating capabilities for exchanging Vietnamese money and stabilizing the exchange rates of foreign currencies.

[Huy Duc] How will the concentration of budget management, which the Council of Ministers has included in plans, be achieved?

[Phan Van Khai] The concentration of budget management does not mean including all income and expenditure items in the budget. The true nature of that matter is to ensure the unity of state finances, carried out nationwide in accordance with laws, income policies, and expenditure regulations and norms promulgated by the central echelon.

The setting of ratios and regulating of annual budgets for each locality will be ended. Instead, expenditure responsibilities will be determined and assigned to the local budgets. At the same time, taxes and fees that are to be collected in accordance with stable, uniform ratios will be stipulated. The long-range direction is that the expenditure responsibilities based on national programs and the civil service system must be unified nationwide (in such sectors as public health, the courts, the organs of control, etc.) and will gradually be made the responsibility of the central budget. We manage a unified nation, a unified national assembly, and a unified political system, so we cannot allow the permanent existence of the old situation of teachers having the same grade level but in one province receiving salaries three or four times greater than in other provinces.

[Huy Duc] While we are on the subject of budgetary matters, recently the Minister of Finance said production and commerce outside the state sector accounted for 70 percent of the gross national income but contributed only 26.9 percent of the budget. On the other hand, the people have begun to complain about taxes. In order to change the irrationalities brought out by the Minister of Finance, will be tax collection rates be increased?

[Phan Van Khai] The ratio of taxes collected by our country in comparison to the gross national income is still much lower than in many other developing countries. At present, with regard to production and commerce outside the state sector it must be understood that

because the people provide their own capital, while state enterprises rely on state capital, the ratios of contribution to the budget differ. With regard to private individuals, we appeal for them to pay taxes, but taxes must encourage them to invest in expanding production and operating profitably. To increase tax collections, the sources must be cultivated. Last year, the tax policy was amended, but it is necessary to continue to improve it along the lines of encouraging production and saving, with emphasis on taxes collected indirectly and the various forms of progressive taxes. The main thing is not to increase the tax rates but to counter tax collection shortfalls and ensure equality among the economic components in paying taxes in accordance with current policies.

[Huy Duc] The capital of state enterprises is supplied by the state, but many units have not used it effectively. In the future, will the Council of Ministers be bolder in turning state enterprises into stock companies?

[Phan Van Khai] In order to increase the efficiency of the state economy it is necessary to correct many viewpoints regarding the mechanism and policy of renovating industry and management organization. Transforming a number of state enterprises capable of attracting capital into stock companies is a solution. The Council of Ministers will do that on a trial basis and gain experience in order to expand its implementation in 1992.

[Huy Duc] But if the "state enterprises capable of attracting capital" are made stock companies, will the guiding role of the state economy gradually be weakened?

[Phan Van Khai] Some people are afraid so. But an economy must take efficiency into consideration. The state enterprises will be transformed into stock companies so that they can operate better and have additional capital to expand production. The enterprises that become stock companies will have many more owners and will utilize profits more rationally. Thus they will help the state economy do a better job of exercising its guiding role, and will not erode it. Of course, when enterprises become stock companies, according to the necessity of each enterprise to change, the state will retain a certain percentage of the shares. The state will control a majority of the shares of the enterprises and key sectors and spheres that must retain the form of state ownership.

[Huy Duc] The anti-inflation plans presented by the Council of Ministers are based on the principle of making the economy more efficient, but there are also some problems that have been debated for a long time. Does the Council of Ministers have support for them now?

[Phan Van Khai] Fighting inflation and financial-monetary stabilization have been made the foremost solutions for enabling the economy to escape from the crisis. The economic situation is beset with many unbalanced, unstable factors. Therefore, pushing back and

controlling inflation must proceed step by step. We will go all-out to lower the inflation rate from 70 percent in 1991 to between 30 and 40 percent in 1992, and will continue to reduce it in future years, so that in 1995 the inflation rate will be below two digits.

The anti-inflation program was reviewed by the second plenum of the Central Committee and the 10th session of the National Assembly, which were strongly in accord. That created a basis on which the government can implement it resolutely in order to attain good results.

**National Assembly Debates State Management**  
*922E0074A Ho Chi Minh City SAIGON GIAI PHONG*  
*in Vietnamese 15 Dec 91 pp 1, 3*

[Article by P.V. (reporter): "12 December—National Assembly Deputies Discuss State Organization and Management in Socioeconomic Fields; Judiciary and Economics, Planning, and Budget Committees Both Agree To Defer Implementation of Real Estate Tax Regulation"]

[Text] Yesterday, 14 December, the National Assembly (10th session) deputies discussed socioeconomic matters at team meetings. The majority of deputies supported an evaluation by the Council of Ministers to the effect that currently we have not yet come out of the economic crisis and that inflation remains high. In the 1991-1995 period and particularly in 1992, there will be difficulties and complicated situations, and at the same time there will be new possibilities favorable for us in many aspects.

Many deputies thought that an important issue existing now and in the near future still is to concentrate on trying to organize appropriate forms and proper steps, mostly regarding organizing production and business, because presently we encounter a lot of confusion as we are switching to the new mechanism. On the other hand, the state must strengthen management, with budgetary management being an important part. A major recent weakness in the management and use of the state budget was the fact that although it was no longer centralized, budgetary management and use has been very much divided and scattered.

At the meeting of the municipal deputies' debate team, Deputies Nguyen Rang, Nguyen Thanh Lam, and Nguyen Quyen Sinh made a rather detailed analysis of the wages policy, which they considered an urgent issue and an important factor in the efforts to stabilize the society and to develop production and business, and proposed that the current wages policy be immediately revised. Deputy Huynh Ngoc Dien proposed an early revision of the agricultural tax policy (reduction of the tax) and, as an incentive, the adoption of policies of investing in production and export of agricultural products. Tran Hong Quan and a number of other deputies did not agree on the ways to calculate estimates and to divide the budget as drafted (reported to the National Assembly) because they thought that such ways were irrational and did not truly reflect the realities, and

proposed that the National Assembly assign the management and use of the (already distributed) budget to various sectors and localities (with tight control being exercised), instead of to the financial sector as sole manager of the entire budget as it currently is, and that even if the financial sector were assigned budgetary management, it would have to ensure timely, complete, and easy response to the needs of sectors and localities.

Deputies Ca Le Thuan and Ly Chanh Trung emphasized the need for the National Assembly and state to take major measures to promote cultural development and to organize cultural activities, mostly in the present situation.

About the socioeconomic and budgetary issues, the National Assembly was to discuss them for the next two days during its plenary meetings.

As of 14 December, the National Assembly presiding officers had received 55 ideas from deputies and delegations raising questions addressed to the Council of Ministers and sectors.

In the afternoon of 14 December 1991, the standing committees of the National Assembly Judiciary and Economics, Planning, and Budget Committees, in joint work sessions with Ministry of Finance representatives, listened to a report on the situation of implementing the real estate tax measure.

This issue is one of the urgent and realistic ones that affect the lives of millions of citizens and state cadres, workers, and civil servants and has not been included in the agenda of this session. The National Assembly put it on its agenda after having heard the delegations of deputies present the opinions of the majority of voters and people in every walk of life.

The Real Estate Tax Regulation was adopted by the eighth National Assembly, sixth session, late in 1989 for promulgation by the Council of State. The study and drafting of this regulation had been done in full compliance with legislative rules. But there have been aspects of the Ministry of Finance's guidelines and organization of implementation that did not exactly comply with the regulation, with many documents being far from perfect and failing to reflect realities. After having heard the opinions of National Assembly deputies, the Judiciary and Economics, Planning, and Budget Committees requested the Ministry of Finance to issue circulars providing revising and supplementing guidelines to correct difficulties and troublesome situations in its efforts to organize implementation of the regulation. The two committees agreed on the following: The regulation remains valid for implementation, but since its early implementation was incorrect, it would be necessary to defer implementing the real estate tax regulation for the last six months of 1991. The issue will be presented to the National Assembly for a decision.

**Assembly Continues Socioeconomic, Budget Debate**

922E0074B Ho Chi Minh City SAIGON GIAI PHONG  
in Vietnamese 18 Dec 91 p 1

[Article by P.V. (reporter): "Seventh Working Day, 10th Session: National Assembly Discusses Socioeconomic Situation and Budget, Requests Council of State and Council of Ministers To Urgently Improve Wages System in 1992"]

[Text] Yesterday, 17 December, the National Assembly met in the Conference Hall and discussed the socioeconomic situation and budget. Thirty-three deputies (out of a total of 74 deputies who signed up for addressing it) expressed their opinions on the outstanding aspects of the 1991 situation, the remaining issues, weaknesses and reasons, and major solutions for 1992 in the following fields: industrial production, small industries and handicrafts, culture, public health, education, wages system, policy on military personnel, political and ideological situation, state management, and especially implementation of highland and agricultural policies, and measures to achieve centralized management and use of the state budget. Many deputies, mostly the deputies from such provinces as Lang Son, Yen Bac, Vinh Phu, Thanh Hoa, Gia Lai, Cong Tum, Dac Lac, and so on, mentioned the poor implementation of the resolutions and policies on the highlands, which the party and state had adopted, and mentioned and pointed to the present state of poverty among the highland people (according to Yen Bai Deputy Bang Huu Quyen, 70-80 percent of these people suffered from lack of food) and the fact that the results of the movement to achieve settled farming and settled life were limited, that the majority of them remained illiterate because of difficulties in earning their living and shortages of classrooms and teachers, and that drug addiction and diseases, particularly malaria, were rampant because of a lack of basic and minimum public health facilities. In the meantime, the state has not yet concentrated its efforts on making basic investment (just a token one) in the highlands' communications, public health facilities, culture, science and technology, and production. As a result, the ethnic minorities find it very difficult to earn a living and do not as yet have the right conditions for developing production.

About the agricultural policy, the deputies focused their analyses on three major aspects: There is no appropriate policy to encourage agricultural development (the agricultural tax has not yet been revised; there is no price-supporting policy; the market for agricultural products remains unstable); the level of capital investment in production and in building the material base for development of agricultural production (water conservancy, electricity, science and technology, and so on) is not yet appropriate; and the macrocosmic role of supporting and adjusting agriculture is not yet timely and realistic, for farmers remain vulnerable to excessive pricing by private business people when they have to buy materials, to sell their products, and so on. Centralized management

and use of budget was mentioned and pointed out by almost all deputies as urgent work to do that would have especially important effects on carrying out the socioeconomic programs in 1992. Many deputies thought that the spontaneous, divided, decentralized, and nonunified use and management of the budget was partially responsible for the fact that corruption and waste had been happening too frequently and seriously and causing great damage to the country lately. Consequently, in the time to come, the Council of Ministers must manage and use the budget in a strict, unified, and centralized manner, with rational division of authority among sectors and localities, and with timely inspection and control. Many deputies also proposed resolutions asking the National Assembly, Council of State, and Council of Ministers to urgently improve the wages system in 1992, or at least to carry out the minimum basic wage level equivalent to 45 kilograms of rice as suggested in a National Assembly resolution. As for other issues, such as strengthening the effectiveness of management by the state; improving the state machinery; increasing the level of budgetary investment in culture, education, and public health; concentrating efforts on carrying out to the very end a number of key programs and plans (among the 13 socioeconomic programs on which the Council of Ministers has reported), and so on, many deputies also asked that efforts to organize implementation be made more quickly and effectively.

Today the National Assembly continues its debate on the socioeconomic situation and the budget.

**Army's Production, Economic Work in 1991 Noted**

922E0075A Hanoi NHAN DAN in Vietnamese  
16 Dec 91 p 3

[Article by Lieutenant Colonel Dao Nguyen Vinh, M.A.: "Security-National Defense—Army's Defense Production, Economic Work in New Situation"]

[Text] Having received wholehearted assistance from ministries, sectors, and localities, in 1991 the Army succeeded in developing both the breadth and depth of its economic work and defense production task, obtaining realistic results, and greatly reducing mistakes and violations of the economic management regulations. This year the Army as a whole should achieve a gross production value estimated to exceed that of 1990 by 58.8 percent (not including compensation for price decreases). All the goals set for collection of foreign currencies through export and contributions to the budget were increased. The important achievement was the fact that it has attained the objectives of ensuring fulfillment of the national defense task, creating additional sources of income to compensate for decreases in the defense budget, improving the standard of living of troops, building warehouses and barracks, purchasing means of training, doing scientific research, and contributing to resolving the issue of the Army's discharge policy in accordance with the position of the party and

state on reducing the size of the Army. That was the result of the active struggle of tens of thousands of defense cadres, troops, workers, and civil servants in all parts of the country, in many forms of production and economic work.

In addition to overcoming difficulties and fulfilling their defense task, the national defense enterprises were actively exploiting their potential production of economic goods on the basis of diversifying their products, selecting the ones that would closely match the defense-serving products (mostly the ones having to do with manufacturing weapons and equipment), and effectively satisfying the needs of people and economic sectors, with such products as engineering, electrical, and electronic products, corrosion-resistant paints, rubber, ready-made clothing, and so on, and particularly a-no-mit explosive, the explosive used in fuses that effectively serves such important economic sectors as energy and construction. The units that did economic work in strategic areas like the central highlands, Dong Thap Muoi, Long Xuyen, offshore islands, and so on overcame difficulties, obtained good results, and served as the hard core for serving national defense and security and building regional economies. These units maintained combat readiness, while the research schools and institutes were fully using time and means to increase production and to do economic work in appropriate forms and scope.

To create additional jobs, to call for capital investment, and to gain technological knowledge, the national defense enterprises and Army units doing economic work have been expanding joint business and association within and outside of the country. In the past year, tens of international delegations from many countries came to conduct surveys and exploration, and raised the question of associating with our Army to do economic work. As a result, the Army was able to draft a number of joint projects, which it has submitted to the state for consideration, and thus opened up the prospects for cooperation with foreign countries in doing economic work.

There has been much progress in improving the management mechanism, with a project being drafted to call for reorganizing production of national defense installations to suit the need of our task in the new situation. Many units specialized in doing economic work have been continuing to stabilize their organization and to seek an appropriate direction for their production and business; a number of units that suffered from losses have been reorganized, while many new units have been organized to engage in production and business and to practice profit-and-loss accounting; and measures have been taken to overcome capital-related difficulties and to increase effectiveness in the use of production and business capital for the benefit of general corporations, corporations, and national defense enterprises, such as borrowing credit capital for doing economic work, paying off debts, and expanding the ability to empower other people to use capital and to assign responsibility for safeguarding capital. As a result, the quality of

management and effectiveness in doing economic work have been raised, turning many units into outstanding ones, such as Z183, Z127, Z117, X20, Corporation 404 and 622 (Military Region 9), Sea Transportation Group (Military Region 5), Flight Services General Corporation, Truong Son Construction General Corporation, manufacturers of fibro-cement roofing materials in Military Region 7 and cement in Military Regions 3, 7, and 9, Antiaircraft Service, Rear Service General Department, and National Defense Industry and Economics General Department. In addition to carrying out its immediate task and preparing for long-term planning, the Ministry of National Defense has organized a final review of the Army's five years (1986-1990) of doing economic work on the basis of the market mechanism and has drawn many realistic leadership conclusions in regard to promoting and raising effectiveness in the Army's production and economic construction in the time to come.

In the Army's production and economic construction, poor results and work were seen in some localities. In some units and production and business installations, effectiveness was low or negative phenomena took place. Such shortcomings and mistakes absolutely would not have originated from the Army's economic work policy, but the subjective and objective reasons behind them came from the general situation.

To do production and business on the basis of the market mechanism was never easy and, in the case of Army units, was supposed to be more difficult. The majority of national defense industrial enterprises and Army units doing economic work usually were in the highlands, far from commercial centers, and had to bear higher than normal transportation expenses and expensive "entry end" and "exit end" production factors. On the other hand, many difficulties arose from the fact that equipment, industry, and laborers originally being prepared for national defense were switched to doing market-oriented economic work; and since the state has not yet promulgated any legal documents and regulations on management of Army production and economic work, Army units did face additional difficulties and troublesome situations regarding joint business, association and circulation of goods, credit loans, payment through banks, and so on.

In the general situation of the country and Army, it is not possible to immediately overcome the difficulties that exist in the Army's defense production and economic work; these difficulties are getting even more serious, but new favorable factors have appeared. These are the lessons that have been learned from the realities of organizing and operating the production and business of basic-level units, as well as from fulfilling the Army's functions and tasks of managing production and economic work. More particularly, there is a high degree of unanimity regarding the Army's policy, goal, and view on doing economic work. All echelons are actively

seeking and applying appropriate measures to properly fulfill this political task with ever increasing effectiveness.

With the spirit of renovation, with the tradition of creative labor, and in compliance with the resolution of the seventh party congress, as the year of 1992 is about to begin, the Army will bring many important achievements to its defense production and economic work and thus contribute to the building and defense of the fatherland.

### Progress in Oil, Gas Sector in 1991 Reviewed

922E0076A Hanoi NHAN DAN in Vietnamese  
18 Dec 91 p 1

[Article by Pham Thanh: "1991—Oil and Gas, An Economic Spearhead"]

[Text] Our country's oil and gas, in spite of a modest level of production, has become a potential and one of the economic spearheads. As of mid-December this year, the Vietnamese-Soviet Oil and Gas Joint Enterprise has produced 3.7 million tons of crude oil (an increase of 1 million tons over last year's production). With daily production in the last months of the year of the Bach Ho and Rong fields being boosted by the enterprise to an average of close to 13,000 tons of crude oil, we are totally optimistic about the figure, 3.8 million tons of crude oil, being the total production of 1991. This quantity of crude oil brings to our country an export revenue accounting for nearly one-third of the total value of this year's export.

As we look back, in a year full of difficulties and changes, many central industrial sectors, including gas and oil, have done their very best to seek effective solutions to achieve considerable speed in our economic growth. The industrial achievements that we have attained this year are very valuable and will have been even more valuable because we have known how to "break the siege" by preparing for the premises and data for the next stage of development.

On the sea, gas and oil sector workers must constantly fight big waves and strong winds to seek silent answers from the bottom of the sea about the country's total oil and gas deposits. In addition to the Vietnamese-Soviet Oil and Gas Joint Enterprise, a leading cardplayer that is concentrating investing efforts on exploration needs, expansion of extraction areas, and increase of deposits and capacities of fields, there are and will be more than 10 foreign oil and gas companies working our country's continental shelf. As we project in our plans, crude oil production will be 4.8-5 million tons in 1992 and 7-8 million tons in 1995; if the Dai Hung field becomes productive by the end of 1993 as a recent resolution of

the Vietnamese-Soviet Oil and Gas Joint Enterprise Council mentions, production will be greatly increased after 1995.

The renovation and open-door policy of our party and state is creating a new opportunity for the oil and gas sector to attain its potential goals. But if it wants to fulfill these goals, this important econotechnical sector needs a stable and rational organizational structure and a truly self-supporting mechanism, particularly in regard to financial matters, production, technical service, and sale of products. In 1991, although the Vietnamese-Soviet Oil and Gas Joint Enterprise barely surpassed the crude oil production and deposit increase goals, the number of wells where extraction had begun did not satisfy our wish. The Geophysical Survey Corporation, in spite of objective difficulties, still reached a high level of endeavor in surveying 23,000 kilometers (of the geophysical line, or 2,000 kilometers less than the goal set in its plan). In the year, the sector opened many aspects of oil and gas technical service, trained many workers in this field, and obtained a number of means used to satisfy many new and complex service needs. The Oil and Gas Institute properly carried out sample analysis service contracts; other units provided such services as organizing ships to protect surveys, supplying oil and grease to ships and drilling rig platforms, providing port services to survey ships, and so on. More specifically, it properly provided the survey ships with the service of pinpointing locations and wells (of the nine wells drilled by foreign companies, most have shown the presence of oil and gas but, regrettably, of poor commercial value). However, because the capital and experience regarding the oil and gas technical services it provided remained negligible, and because the management mechanism was far from unified and synchronized, the income collected from such services did not exceed 15 percent of the capital invested by foreign companies in the exploration for oil and gas in Vietnam. In addition to its main tasks, the Oil and Gas General Corporation did surpass the goals set for other products, such as barite, bentonite, and lubricating oil, and extracted about 20 million cubic meters of natural gas in Thai Binh, which was used to satisfy the need of a number of industrial installations, including some equipped with gas turbines.

For the oil and gas sector, 1991 has been a year full of busy activities. 1992 will be even more active and busier with many needs for exploration and extraction, and with new programs and projects. There will be a number of additional gas and oil companies operating in joint ventures with Vietnam in the search and exploration for oil and gas; projects will be carried out for a system of parallel gas-retrieving equipment and a pipeline to transport gas to the shore for processing and use, thus avoiding the current waste—from 1.5 to 2 million cubic meters of gas being burned a day on the offshore drilling rig platforms. And a major project for construction of a modern petrochemical complex is being drafted. Along with it technical services have to be developed, with new needs and new quality, to always maintain oil and gas as the number-one spearhead of our national economy.

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